

Central Intelligence Agency



Washington, D.C. 20505

13 December 2018

Ms. Emma Best
MuckRock News
DEPT MR 23143
411A Highland Avenue
Somerville, MA 02144-2516

Reference: F-2016-00792

Dear Ms. Best:

This is a final response to your 1 January 2016 Freedom of Information Act (FOIA) request for **records relating to Project FUBELT (also known as Track II) and National Security Decision Memorandum 93, referring to intervention against Salvador Allende**. We processed your request in accordance with the FOIA, 5 U.S.C. § 552, as amended, and the CIA Information Act, 50 U.S.C. § 431, as amended.

We completed a thorough search for records responsive to your request and located six previously released documents, consisting of 21 pages, which we determined can be released in their entirety. Please be advised that we conducted a thorough and diligent search in an effort to locate full text versions of these documents but unfortunately were unsuccessful. Although our searches were reasonably calculated to locate the relevant documents, and it is highly unlikely that repeating those searches would change the result, you nevertheless have the legal right to appeal the finding of no full-text versions of the documents responsive to your request. Therefore, we are enclosing the copies of the documents as previously reviewed at Tab A.

We also determined that 21 documents, consisting of 92 pages, can be released in segregable form with deletions made on the basis of FOIA exemptions (b)(1), (b)(3), and/or (b)(6). Copies of the documents and an explanation of exemptions are enclosed at Tab B. Exemption (b)(3) pertains to information exempt from disclosure by statute. The relevant statutes are Section 6 of the Central Intelligence Agency Act of 1949, as amended, and Section 102A(i)(l) of the National Security Act of 1947, as amended. As the CIA Information and Privacy Coordinator, I am the CIA official responsible for this determination. You have the right to appeal this response to the Agency Release Panel, in my care, within 90 days from the date of this letter. Please include the basis of your appeal.

If you have any questions regarding our response, you may contact us at:

Central Intelligence Agency
Washington, DC 20505
Information and Privacy Coordinator
703-613-3007 (Fax)

Please be advised that you may seek dispute resolution services from the CIA's FOIA Public Liaison or from the Office of Government Information Services (OGIS) of the National Archives and Records Administration. OGIS offers mediation services to help resolve disputes between FOIA requesters and Federal agencies. You may reach CIA's FOIA Public Liaison at:

703-613-1287 (FOIA Hotline)

The contact information for OGIS is:

Office of Government Information Services
National Archives and Records Administration
8601 Adelphi Road-OGIS
College Park, MD 20740-6001
202-741-5770
877-864-6448
202-741-5769 (fax)
ogis@nara.gov

Contacting the CIA's FOIA Public Liaison or OGIS does not affect your right to pursue an administrative appeal.

Sincerely,



Allison Fong
Information and Privacy Coordinator

Enclosures

TAB A

C00805662

15 July 1975

SUBJECT: Special Mandate from the President on Chile

This is a supplementary briefing on Chile covering the period between the presidential election of 4 September when neither of the three candidates received a majority of the vote and 24 October when the Chilean Congress met to decide which of the two leading candidates (Allende and Alessandri) was to be the President of Chile.

On 16 September 1970 Director Helms informed a group of senior Agency officers that on 15 September "President Nixon had decided that an Allende regime was not acceptable to the United States." [REDACTED]

A special Agency task force was established

(2)

A dual approach was pursued during this period: one approach (Track I) involved a series of efforts to explore with President Frei and the Christian Democrats the desirability of voting for independent rightist Jorge Alessandri in the Congressional run-off rather than Marxist Salvador Allende. Since Allende had received the plurality (36.6%) of the votes in the election of 4 September, according to previous practice and

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C00805662

tradition he would have been expected to be elected by the Congress as President. The Department of State and the Ambassador were aware of the nature and objectives of this approach, which was carried out with 40 Committee approval.

The second approach (Track II) was designed to try to prevent Allende taking power when and if it appeared that the constitutional route would not succeed. [REDACTED] (5)

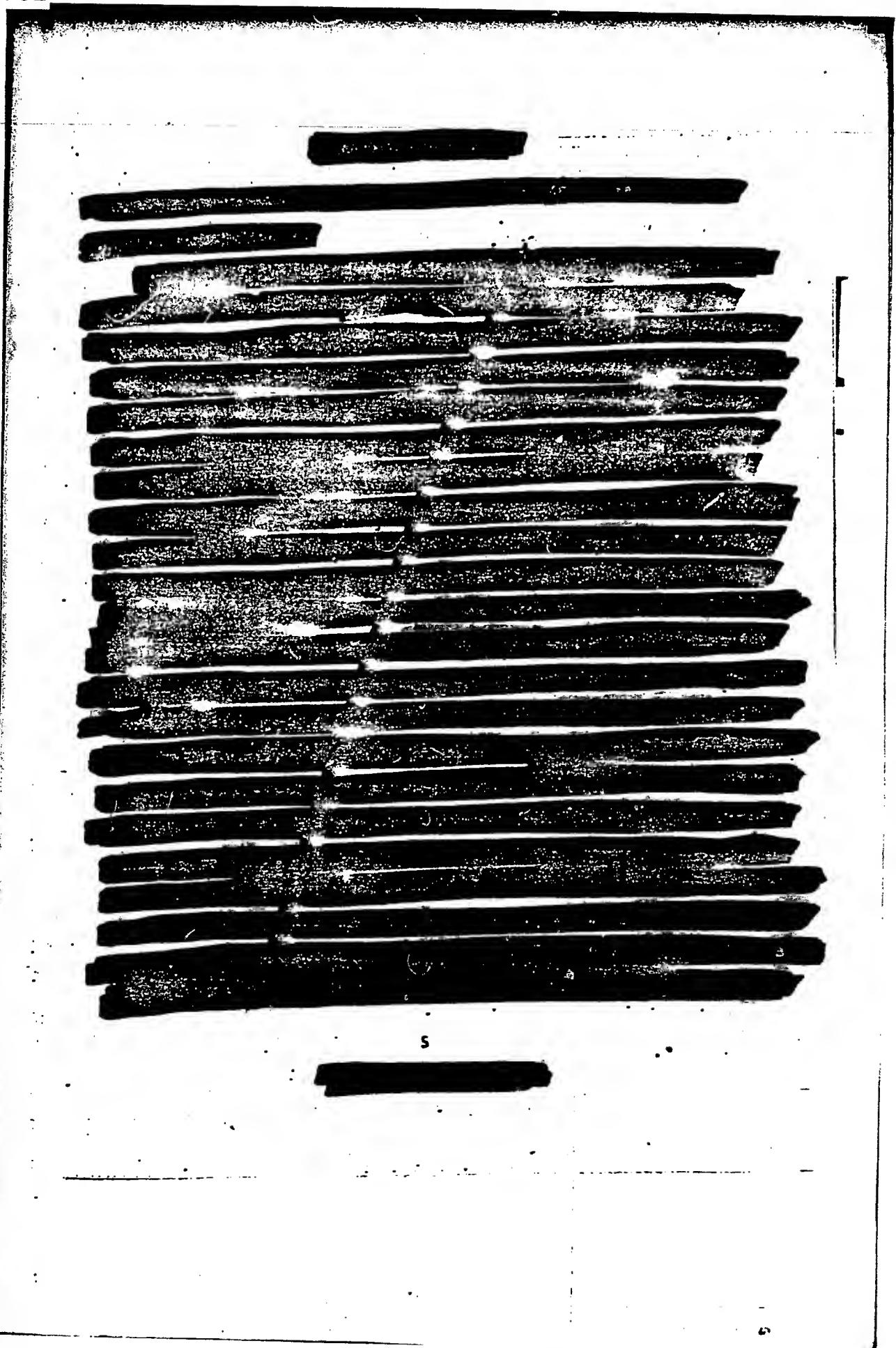
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[REDACTED] principal coup plotter was Retired General Roberto Viaux, who retained the support of many non-commissioned and junior officers as well as being the recognized leader of several right-wing civilian groups. [REDACTED]

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[REDACTED] It was thus decided that the Agency would get
[REDACTED] a message to Viaux to the effect that we had reviewed his plans
[REDACTED] and based on our own information and that which he had provided
[REDACTED] we had come to the conclusion that his plans for a coup at this
[REDACTED] time could not succeed.
[REDACTED]

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However, [redacted]
Mr. Alessandri decided on the 19th that he would not accept the
presidency even if Congress elected him, and instructed his
followers to vote for Allende. [redacted] [redacted]

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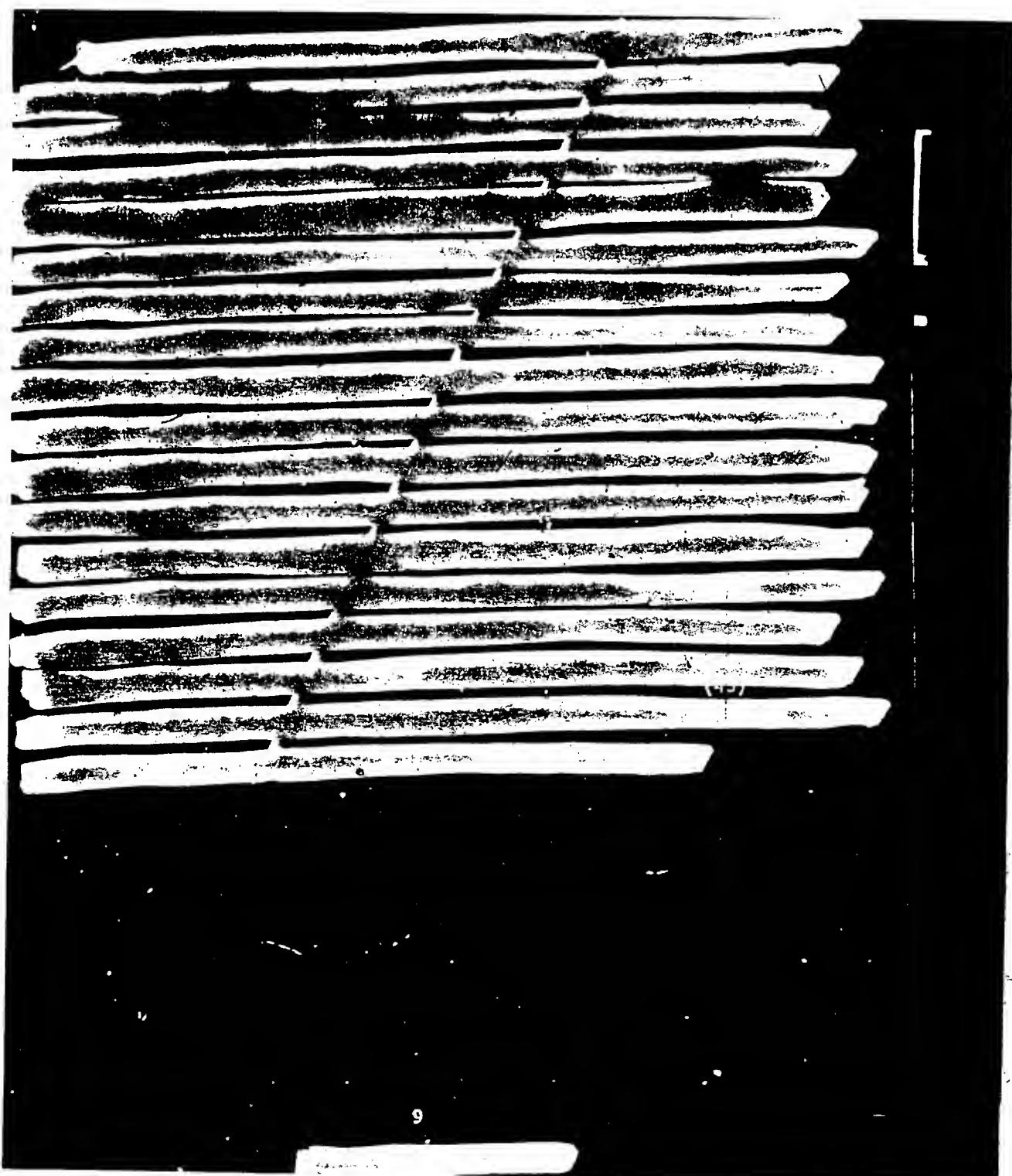
[REDACTED]

The dismay caused by Schneider's death in the armed forces
and within key political groups dissipated all plans for
military action, and Allende was elected President by the Congress

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on 24 October and inaugurated on 4 November without further incident.

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C00450413

October 1970

186

TRACK II

A.

1. The 40 Committee approved Ambassador Korry's recommendation that U.S. military aid to Chile be suspended until after 25 October.
2. President Frei said accurate version of his conversation with General Schneider on 23 September was that he never considered resigning or naming a military cabinet, and that the military should wait until after 24 October before acting.
3. Ambassador Korry informed [REDACTED] that if Allende wins, the USG will not provide financial support to the PDC for post election activities.
4. [REDACTED] "false flag" staffers will arrive in Santiago
5. General Camilo Valenzuela believes that the military will not take over the government, and should General Viaux decide to move on his own, he would fail.

6.

B. Accomplishments:

By [REDACTED] Santiago Station will have "false flag" staffers actively engaged in contacting Chilean military leaders. 40 Committee approval to suspend U.S. military aid to Chile until after the election might make our key targets more receptive to coup proposals.

C. Situation:

The situation remains relatively unchanged. President Frei is still unwilling or unable to pave the way for a military cabinet. Apparently he harbors the hope that he can work out a political solution to the present dilemma. The PDC junta today, however, may force Frei to reconsider the feasibility of a political solution.

At the same time the military remains reluctant to move against Allende despite their knowledge that the USG is considering cutting military aid to Chile and that no guarantees exist ensuring the positions of top military leaders.

C00450761

SECRET [REDACTED]

392

24 October 1970

TRACK II

1. Yesterday General Viaux informed some of his followers that a military coup would be attempted during the early morning hours of 24 October.

2. [REDACTED] was scheduled to meet with [REDACTED] yesterday afternoon to discuss an "urgent matter". As yet there has been no word on the outcome of the meeting.

3. [REDACTED]

4. [REDACTED]

Accomplishments:

Yesterday the Track II program was reviewed and discussed with the DCI. It was agreed that given the short time span and the circumstances prevailing in Chile, a maximum effort has been achieved, and that now only Chileans themselves can manage a successful coup. The Chileans have been guided to a point where a military solution is at least an option open to them.

Situation:

Chile is quiet this morning in the wake of the assassination attempt on General Schneider and the imposition of a state of emergency. The Armed Forces and police are out in force trying to insure a peaceful congressional session today. Although the state of emergency, the prevailing climate of unrest and the high state of public tension would appear to favor a military coup, there has been thus far no indication that the conspirators intend to push on with their plans to overthrow the government.

Declassified and
Approved for Release
July 2000

SECRET [REDACTED]

523
843 A
DO

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SECRET [REDACTED]

(26)

9 October 1970

TRACK II

A. [REDACTED]

1. A "false flag" staffer was instructed to contact General Viaux. This officer will offer Viaux moral, financial, and material (arms) support in behalf of an unidentified US group.

2. [REDACTED]

3. COS advised [REDACTED] and [REDACTED] that the USG favors a military solution and is willing to support it in any manner short of outright military intervention.

4. [REDACTED]

5. [REDACTED]

6. General Viaux told his followers on 7 October that the Armed Forces and the Carabineros will support a coup. He specifically mentioned the infantry school, the motorized units, the artillery regiments, the military school, and all of the Air Force as examples of his military backing.

7. Ambassador Korry called in [REDACTED] and DCOS to strongly oppose any US involvement in coup attempt.

8. [REDACTED]

9. [REDACTED]

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Approved for Release
July 2000

(Continued Next Page)

SECRET [REDACTED]

DO

82

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SECRET/ [REDACTED]

9 October 1970

TRACK II

B. Accomplishments

Our military effort to contact and influence key military targets is off the ground and beginning to show signs of progress. So far, the COS and [REDACTED] have advised [REDACTED] that the USG favors a military solution to blocking Allende and is willing to support a coup in any manner short of outright military intervention. At the same time, we have received requests for arms support from [REDACTED] group and [REDACTED]

C. Situation:

Despite our efforts to put pressure on the Chilean economy (which continues to deteriorate) and our intensive worldwide propaganda campaign, a coup climate does not as yet exist in Chile. Recent reporting, however, indicates that the military is divided and that the majority of senior military would welcome military intervention, including Generals Pratts and Schneider. But they are unable to find a suitable pretext to intervene.

SECRET/ [REDACTED]

821

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2 October 1970

TRACK II

193

A.

1. Priority effort will be made to contact and influence key Chilean military figures. [REDACTED] "false flag" staffers will be used in this effort.

2. [REDACTED]

3. UP leaders requested and are receiving a list of all U.S. citizens who have requested visas since June 1970. They have also requested that no additional official and diplomatic visas be issued to U.S. nationals.

4. The PCCh is planning to occupy selected buildings and seal off residential areas in Santiago on 25 October and 4 November if Allende is not elected.

5. A branch of "Patria y Libertad" has been established in Concepcion under the name of "Movimiento Civico y Libertad."

6. [REDACTED]

B. Accomplishments:

We have identified our primary targets within the Chilean military establishment and are making plans to use false flag staffers to contact them.

C. Situation:

(See Special Situation Report)

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July 2000

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~~SECRET~~

C. Situation:

While we are pushing forward with our efforts to create an atmosphere of economic doom in Chile, President Frei remains unable or unwilling to take actions that would precipitate a coup. While Frei has been exploring with the military the possibilities for intervening, and realizes that General Schneider is the major stumbling block, he has not yet been able to muster sufficient courage to neutralize Schneider or send him out of the country.

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CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

Executive Registry

75-6034

CIA HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED
1996

INSPECTOR GENERAL

75-1519 4-28

28 April 1975

Mr. David W. Belin
Executive Director
Commission on CIA Activities
Within the United States



Dear Mr. Belin:

In accordance with your request, I am forwarding copies of sensitive Agency documents concerning Chile. One is a copy of Director Helms' notes of a September 15, 1970 meeting with the President. The other is a memorandum for the record prepared by William Broe, then Chief of the CIA Western Hemisphere Division. It's the last sentence of paragraph 2. of Mr. Broe's memorandum that reflects apparent Presidential provisos.

Faithfully yours,

E. H. Knoche

E. H. Knoche
Assistant to the Director

Attachments: a/s

Classified by 014359
Exemptions claimed under E.O. 14176
Exemption codes: 1.3 (D), (E), (B)
Automatically declassified on
Date: Inapplicable to determine

5847

att to Doc # 4048

~~SECRET~~

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675-1532

**CIA HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED
1996**

17 September 1970

MEMORANDUM FOR THE RECORD

SUBJECT: Genesis of Project FUELT

1. On this date the Director called a meeting in connection with the Chilean situation. Present in addition to the Director were General Cushman, DDCI; Col. White, ExDir-Compt; Thomas Karamessines, DDP; Cord Meyer, ADDP; William V. Broe, Chief WH Division; James Flannery, Deputy Chief, WH Division, Thomas Polgar, [redacted] [redacted] [redacted] Chief, Covert Action, WH Division; and Raymond Warren, Chief, WH/4.

2. The Director told the group that President Nixon had decided that an Allende regime in Chile was not acceptable to the United States. The President asked the Agency to prevent Allende from coming to power or to unseat him. The President authorized ten million dollars for this purpose, if needed. Further, The Agency is to carry out this mission without coordination with the Departments of State or Defense.

3. During the meeting it was decided that Mr. Thomas Karamessines, DDP, would have overall responsibility for this project. He would be assisted by a special task force set up for this purpose in the Western Hemisphere Division. The Chief of the task force would be Mr. David Phillips, [redacted]

[redacted], and Deputy Chief of the task force would be [redacted]
[redacted]

4. Col. White was asked by the Director to make all necessary support arrangements in connection with the project.

5. The Director said he had been asked by Dr. Henry Kissinger, Assistant to the President for National Security Affairs,

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to meet with him on Friday, 18 September to give him the Agency's views on how this mission could be accomplished.

(Signed) William V. Broe

William V. Broe
Chief
Western Hemisphere Division

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~~EYES ONLY~~

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MEETING WITH PRESIDENT

ON CHILE AT 1525 SEPT. 15, 1970

PRESIDENT: JOHN MITCHELL & HENRY KISSINGER

I am 10 chance perhaps, but save Chile!

With spending

just enough risk involved

no element of entanglement

for now, or available, more if necessary

full-time job - best men we have

Same plan

make the economy scream

48 hours for planning action

With respect, Mr. Mr.

Schlesinger

MEETING WITH THE PRESIDENT
ON CHILE

15 SEPTEMBER 1970 -- PRESENT WERE: JOHN MITCHELL AND HENRY KISSINGER

C00547630

DD/P 7-43

MEMORANDUM FOR: Deputy Director for Plans
SUBJECT : Request for Approval to Provide a
Polygraph Operator on Behalf of the
United States Secret Service

1. This memorandum contains a recommendation for DDP approval in paragraph five.
2. On 25 September 1969 the San Francisco Domestic Operations Base informed Headquarters that through an established contact they had interviewed Jorge Augusto Dighero Carranza, who claimed to be active as a guerrilla in Guatemala and Honduras and that he knows Marco Antonio Fon Sosa, Arturo Rivera Escobar aka "El Chino" and Jose Maria Agaya Carranza are plotting the assassination of President Richard M. Nixon. The assassination purportedly is scheduled for December 1969. This information was passed to the Federal Bureau of Investigation and the Secret Service by the DO Base in San Francisco.
3. On 1 October 1969 the Secret Service in Washington, D.C., requested that this Agency send a Spanish-speaking officer knowledgeable of Guatemalan revolutionary activities to San Francisco to debrief Dighero in order to judge the validity of the information regarding the plan to assassinate the President. Mr. Barry Ropden, staff employee presently stationed in Mexico City, was detailed at the request of Headquarters to perform the debriefing. Mr. Ropden reported by cable on 8 October 1969 that he had held lengthy debriefing sessions with Dighero on 4 and 6 October 1969. According to Mr. Ropden, Dighero exhibited good knowledge of Guatemalan revolutionary activities, but said the information concerning the alleged assassination plot seemed unlikely. Mr. Ropden suggested that a polygraph examination might be in order.

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- 2 -

4. On 9 October 1969 Mr. William Khodunda, Secret Service Agent, said that the Secret Service preferred to wait until the complete debriefing report had been received before submitting Dighero to a polygraph examination. On 20 October Mr. Khodunda said that it appears that his service will want a polygraph examination of Dighero conducted and requested that, if possible, this Agency provide the polygraph operator. He said that the Secret Service would provide cover for the operator in San Francisco.

5. It is recommended that the Agency provide the support requested by the Secret Service in order to try to resolve the matter of the plot against the life of President Nixon as reported by Dighero. Therefore, approval is requested to honor the Secret Service's expressed desire that this Agency make a polygraph operator and a Spanish-speaking MI Division officer available for travel to San Francisco.

William V. Broo
Chief
Western Hemisphere Division

cc: ADDP
Office of Security

The recommendation contained in paragraph five is APPROVED:-

H. Thomas G. Koenigsmann

23 OCT 1969

Deputy Director for Plans

Date

* Per D/OS' usual -協定- and -conditions
on providing other agencies with such assistance
18/78K

TAB

B

Explanation of Exemptions

Freedom of Information Act:

- (b)(1) exempts from disclosure information currently and properly classified, pursuant to an Executive Order;
- (b)(2) exempts from disclosure information, which pertains solely to the internal personnel rules and practices of the Agency;
- (b)(3) exempts from disclosure information that another federal statute protects, provided that the other federal statute either requires that the matters be withheld, or establishes particular criteria for withholding or refers to particular types of matters to be withheld. The (b)(3) statutes upon which the CIA relies include, but are not limited to, the CIA Act of 1949;
- (b)(4) exempts from disclosure trade secrets and commercial or financial information that is obtained from a person and that is privileged or confidential;
- (b)(5) exempts from disclosure inter-and intra-agency memoranda or letters that would not be available by law to a party other than an agency in litigation with the agency;
- (b)(6) exempts from disclosure information from personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of privacy;
- (b)(7) exempts from disclosure information compiled for law enforcement purposes to the extent that the production of the information (A) could reasonably be expected to interfere with enforcement proceedings; (B) would deprive a person of a right to a fair trial or an impartial adjudication; (C) could reasonably be expected to constitute an unwarranted invasion of personal privacy; (D) could reasonably be expected to disclose the identity of a confidential source or, in the case of information compiled by a criminal law enforcement authority in the course of a criminal investigation or by an agency conducting a lawful national security intelligence investigation, information furnished by a confidential source; (E) would disclose techniques and procedures for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law; or (F) could reasonably be expected to endanger any individual's life or physical safety;
- (b)(8) exempts from disclosure information contained in reports or related to examination, operating, or condition reports prepared by, or on behalf of, or for use of an agency responsible for regulating or supervising financial institutions; and
- (b)(9) exempts from disclosure geological and geophysical information and data, including maps, concerning wells.

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Approved for Release: 2018/10/17 C01294030

17 September 1970

MEMORANDUM FOR THE RECORD

SUBJECT: Operational Planning for Project FUBELT

(b)(1)
(b)(3)

(b)(3) 1. A meeting was held at 10:30 a.m. on this date to discuss further planning for Project FUBELT. Present were Messrs. Karamessines, Broe, [redacted] Warren, [redacted] and [redacted]. The following matters were discussed:

(b)(1)
(b)(3)

(b)(3)

a. Santiago 2911 described how the Communist Party is systematically trying to get mass communication media under its control and in particular, throttle "El Mercurio." It was agreed that this was a very important issue that needed to be exploited fully. Mr. Karamessines agreed with Mr. [redacted] suggestion that we submit to him a game plan on which we were working later on in the day. The emphasis is on as wide an exploitation of this issue as possible both in the U.S. and abroad.

quid up
to
DCI

↓
— ✓

b. Mr. Karamessines requested that a copy of this cable information be prepared for the Director on sterile bond for use with his press contacts.

c. Mr. Karamessines requested that we use an Immediate precedence on our messages relating to this Project unless, where no night action is required, we were certain that a Priority precedence cable would be at the Station the first thing next morning.

d. Mr. Karamessines indicated that he would like to know from us when developments were such that he could usefully ask the Director to see [redacted] aspects of this problem.

(b)(1)
(b)(3)

(b)(3)

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(b)(3)



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(b)(1)
(b)(3)

(b)(1)
(b)(3)

(b)(1)
(b)(3)
(b)(1)
(b)(3)
(b)(1)
(b)(3)

OK -
Carly
Lambus

(b)(1)
(b)(3)

Bud
has
done,
but -

-

(b)(3)

(b)(1)

(b)(3)

(b)(3)

e. Mr. Karamessines reminded the group that we had to prepare for the Director a list of things the Director could do bearing on the economic aspects of the problem. It was noted that [redacted] our Task Force economic specialist, would be in contact with the OER specialist on Chile today to pick her brains on the subject and, within several days, we should be getting some ideas on what can and should be done.

f. Mr. Karamessines asked where the matter of contacting the [redacted]

[redacted] said he had a meeting scheduled with him at 11:30 this morning.

g. In connection with the message from the Ambassador to the Department of State (Santiago 2931) it was agreed that Mr. Broe would call the Department to see what, if anything, they were doing about it and to try to induce some action if it is possible.

h. Station Santiago should be queried immediately on when Ambassador intends to give us his suggestions on how to use the Santiago 2911 information as promised. In the meantime, we would be moving with Mr. [redacted] on having him contact [redacted] executives.

i. Close contact is to be maintained with Mr. [redacted] on a continuing basis to keep him from becoming an "unguided" missile. This is quite aside from the positive contribution he can make, such as in the [redacted] endeavor. We should be careful on what we use Mr. [redacted] for since his vested interest can render his motives and assessments suspect to some circles.

j. Situation Report #1 (17 September 1970) was reviewed on the key personnel assignments, all of which should become effective sometime during 18 September.

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~~EYES ONLY~~

k. The Department of State questioned the TDY of [redacted] to Station Santiago early 17 September. It was explained as a temporary replacement but this careful scrutiny of official travel to Santiago by State may generate some problems in the future.

(b)(1)
(b)(3)

1. We should use OER under a logical pretext to look into any economic angles of interest to us and involving DOD, AIR or other such outside agencies.


William V. Broe
Chief
Western Hemisphere Division

(b)(3)

DDP/WH [redacted]

Distribution:

- 1: EA/DDP
- 1: C/WHD
- 1: C/WH/CA
- 1: C/WH/4

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~~EYES ONLY~~

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THE CIA-CHILE OPERATION

1. The Genesis

On 15 September 1970, CIA was directed by President Nixon to try to prevent Marxist Salvador Allende's assent to the Chilean presidency on 3 November. On 16 September 1970 the DCI informed a group of senior Agency officers that President Nixon had decided that an Allende regime in Chile was not acceptable to the United States. The President asked the Agency to prevent Allende from coming to power or to unseat him and authorized up to ten million dollars for this purpose. Further, the Agency was directed to carry out this mission without coordination with, and independent of, concurrent endeavors being undertaken through the 40 Committee, Department of Defense, Department of State and Ambassador Korry. The DDO was assigned overall responsibility for this project with the assistance of a special Latin American Division Chilean Task Force.

2. Special Organization

a. To implement the Presidential direction, a Headquarters Chilean Task Force was established under the overall responsibility of Mr. Karamessines. It was headed by two senior and highly-qualified CIA Chiefs of Station recalled from their Latin American posts specifically for this purpose. Chief of the Task Force was Mr. David Phillips, who at that time was COS [redacted] (b)(1) (b)(3)

the Deputy Chief of the Task Force was Mr. [redacted] (b)(1) (b)(3)

(b)(1) (b)(3) A special communications channel was set up simultaneously to Santiago, Chile, and [redacted] for the Task

Force.

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(b)(3)

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b. It was also determined that an outside station would be established at Santiago for appropriate contacts with the existing COS only and others in the TRACK II project. Subsequently, an "illegal" team started filtering into Santiago. It consisted of four CIA officers with the appearance, language, and experience to sustain the fiction of various foreign nationalities. They were recalled from their overseas posts to Washington, briefed, and inserted individually into Chile

[redacted] (b)(1)
(b)(3)

In Santiago, their only U.S. contact was a CIA officer who had resided in Santiago for some time [redacted] These "illegals" (b)(1) rapidly established contact with Chilean intermediaries or principals interested (b)(3) in promoting a military coup.

c. By a special (and unique) arrangement requested by CIA, the U.S. Army Attache in Santiago was placed under operational direction of the CIA Chief of Station there. His assistance and Chilean military contacts were invaluable in this program.

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Approved for Release: 2018/10/17 C01297889

~~EVERYONE ONLY~~

17 September 1970

MEMORANDUM FOR THE RECORD

SUBJECT: Operational Planning and Progress of Project FUBELT

1. At 5:00 this afternoon the following attended a meeting
[redacted] Messrs. Karamessines, Broe,
Polgar, [redacted] and Warren.

(b)(3)(1)
(b)(3)
(b)(3)

2. The following items were discussed:

a. Mr. Broe read the cable from COS/Santiago
discussing the possibilities of a military coup during
the period 18 and 19 September (SANTIAGO 2948).

(b)(1)
(b)(3)

b. We have received a response from COS/Santiago
and Ambassador Korry [redacted]
[redacted] describing how the
PCCh was systematically trying to gain control of mass
media communications in Chile (SANTIAGO 2950).

(b)(1)
(b)(3)

c. The Ambassador talked to the head of the
[redacted] in Chile taking care of a problem he
had earlier posed for Washington solution (SANTIAGO 2931,
para. 1b).

(b)(1)
(b)(3)

d. Mr. [redacted]
[redacted]

(b)(1)
(b)(3)

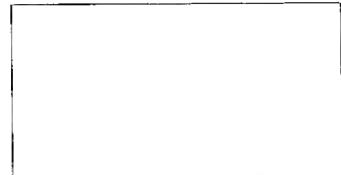
A reply was expected by 1900 hours 21 September.

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(b)(3)



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EYES ONLY

e. Mr. Karamessines was given a summary of the cable from Santiago on PCCh attacks against the media for the Director's use. He was told that a book message was being prepared to Europe and Latin America directing selected Stations to exploit this same information. Mr. Karamessines was also told that we would get in touch with Mr. [redacted] by cable on this subject.

(b)(3)

f. The Director wants a message sent to Chief of Station, Santiago telling him that he is on the right track and to keep up the good work. (done)

(b)(1)
(b)(3)

(b)(1)
(b)(3)

g. A paper is to be prepared for the Director on 18 September asking him to contact Mr. [redacted] to get general support in connection with the Chile problem and his specific help in getting [redacted] behind the effort to assist El Mercurio and to expose the PCCh efforts to control the media in Chile.

(b)(1)
(b)(3)

(b)(3)

h. Mr. Karamessines was told that Mr. [redacted] and Mrs. [redacted] have been brought together on the economic aspects of the problem.

(b)(3)

i. Mr. Broe called Mr. Meyer of the Department of State with regard to action they planned to take on the Ambassador's cable. Mr. Meyer said they would try to follow through on the Ambassador's request regarding the Voice of America (VOA) but would not go to the [redacted]

(b)(1)
(b)(3)

(b)(1)
(b)(3)
(b)(1)
(b)(3)

j. It was agreed that Mr. [redacted] would travel to New York on 18 September to brief Mr. [redacted] [redacted] Mr. [redacted] then would contact [redacted] to get his support to keep the [redacted] in the fight.

(b)(1)
(b)(3)
(b)(1)
(b)(3)
(b)(1)
(b)(3)

2

03148

75

EYES ONLY

SECRET

C01297889

Approved for Release: 2018/10/17 C01297889

EYES ONLY

(b)(3)

(b)(3)

(b)(3)

(b)(3)

k. Mr. [redacted] pointed out he had run into a bureaucratic problem in connection with getting the cable released authorizing \$250,000 for Project [redacted]. Mr. Karamessines asked Mr. [redacted] to take the cable directly to Col. White.

(b)(3)

(b)(3)

l. It was agreed that in the debriefing of [redacted] both Mrs. [redacted] and Mrs. [redacted] would attend.

(b)(3)

m. Mr. Karamessines requested that we have ready by 1000-1030 on 18 September a talking paper that the Director would use when he sees Mr. Kissinger. The paper should give an outline of those measures we were planning to take in connection with Project FUBELT.

Raymond A. Warren
Raymond A. Warren
C/WH/4

03149

EYES ONLY
SECRET

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C01297903

Approved for Release: 2018/10/17 C01297903

23 SEP 1970

TRACK II

A. Actions:

1. [redacted] briefed in New York City by DC/TF and departed for Santiago to make direct contact with Frei. (b)(1) (b)(3)
2. Evaluation of Communist Party Chile (PCCh) paramilitary capability forwarded by Station.
3. Specifics requested on type and amount of arms, ammunition and communications equipment required by Chilean Army in case of civil disturbances or civil war.
4. Contact instructions received from [redacted] for meeting with [redacted] and for Frei emissary. (b)(1) (b)(3) (b)(1) (b)(3)

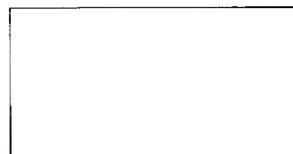
B. Accomplishments:

1. The first major step was taken to establish direct contact with Frei with briefing and departure of [redacted]. He given scenario for contact which intended indicate our interest in supporting any effort he prepared to make to preserve democracy, including promotion of military solution. (b)(1) (b)(3)
2. Paramilitary capabilities and ordnance and special equipment information required for planning in event military action required and clandestine logistical support necessary.

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EYES ONLY~~

774



(b)(3)

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~~SECRET//SENSITIVE
EYES ONLY~~

(b)(1)
(b)(3)

28 September 1970

TRACK II

*Immunity
to individuals
but not for
A PDC*

*Immunity
to individuals
but not for
A PDC*

(b)(1)
(b)(3)

A. Actions:

Leader 1. [redacted] contacted Frei and [redacted] to establish direct Agency channel to Frei. (b)(1)
(b)(3)

2. Headquarters proposed establishing small staff of "false-flag" officers in Santiago to handle high risk target-of-opportunity activities. (b)(1)
(b)(3)

3. COS, [redacted] has requested meeting with [redacted] Army General [redacted] to discuss contingency planning and possible role of [redacted] military. (b)(1)
(b)(3)

4. Headquarters approved operational program for "Patria y Libertad" and urged Station attempt develop additional similar capability and to plan maximum exploitation of mass rally scheduled for 20 October. (b)(1)
(b)(3)

5. Steps have been taken to enlist support of key U.S., [redacted] industrialists in economic warfare intended to provoke economic crisis in Chile. (b)(1)
(b)(3)

B. Accomplishments:

(b)(1)
(b)(3)

Our [redacted] succeeded in contacting Frei and [redacted], establishing direct channel to Frei.. (b)(1)
(b)(3) The first tentative steps were taken to: (a) establish a base of "false-flag" officers in Santiago; (b) initiate a program of economic warfare; and (c) make contact with key [redacted] military officers to discuss contingency role for [redacted] military. (b)(1)
(b)(3)

C. Situation:

There is no apparent change in the status of planning for a military coup. Frei does not trust the military to follow through and prevent the installation of Allende and therefore refuses to give them the order to act. The military is unwilling to act on its own. Economic warfare is emerging as the only practical hope for creating a climate for a coup with the Ambassador, Headquarters and the Station moving more rapidly in the direction of planning for and implementing specific actions to contribute to a rapid economic decline.

~~SECRET~~

(b)(3)

~~SENSITIVE~~

6-III-86

2339

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EYES ONLY~~

1 October 1970

(b)(3)
(b)(6)

TRACK II

A. Actions:

✓ 1. C/WHD contacted a high level ITT representative in NYC to discuss economic aspects of denying Allende's presidency; and the DDP telephoned Mr. [redacted] former Staffer, to request his views and assistance. (b)(1) (b)(3)

✓ 2. [The DCI sent a message to Dr. Kissinger [redacted] advising him of Ambassador Korry's concern over the posture [redacted] on Chile. This message emphasized the desirability of creating an atmosphere of economic doom.] (b)(1)

3. [redacted]

(b)(1)
(b)(3)

4. [Santiago Station advised Ambassador Korry that we see a possibility of influencing the Chilean operation of [redacted] at a high level.] (b)(1) (b)(3)

5. [Santiago Station will surface to President Frei a fabricated story concerning Communist plan to launch a worldwide campaign to discredit Frei.]

6. [redacted]

(b)(1)
(b)(3)

7. [Contact instructions have been received from Santiago Station for the arrival of the first "false-flag" officer who is arriving 2 October.]

✓ 8. [Santiago Station has reactivated its underground black propaganda press activity.]

B. Accomplishments:

(b)(1)
(b)(3)

(b)(1)

[At the highest levels of the Agency steps have been taken to influence major [redacted] with interest in Chile to help create an atmosphere of economic crisis in Chile. We have also initiated discussions with [redacted] officials to advise them of our concern about their posture in Chile which, of late, has favored Allende and hampered our economic program.]

6-11-89

~~SECRET/SENSITIVE
EYES ONLY~~

(b)(3)

2347

C01298394

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[SECRET/SENSITIVE
EYES ONLY]

P. (24)
C. Situation:

While we are pushing forward with our efforts to create an atmosphere of economic doom in Chile, President Frei remains unable or unwilling to take actions that would precipitate a coup. While Frei has been exploring with the military the possibilities for intervening, and realizes that General Schneider is the major stumbling block, he has not yet been able to muster sufficient courage to neutralize Schneider or send him out of the country.

[SECRET/SENSITIVE]

Approved for Release: 2018/10/17 C01298394

C01299566

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Approved for Release: 2018/10/17 C01299566

21 October 1970

TRACK II

A. Actions:

1. General Camilo Valenzuela visited ARMA's residence during the early hours of 20 October to pick up the \$50,000 for General Schneider's abductors. ARMA refused to turn over the money until he had proof that Schneider had indeed been kidnapped.
(b)(1)
(b)(3)
2. [redacted] to visit ARMA on the afternoon of 20 October. [redacted] told ARMA that Schneider's abduction was aborted and that they were going to attempt to kidnap Schneider on 20 October.
(b)(1)
(b)(3)
(b)(1)
(b)(3)
3. [redacted] arrest is receiving front page treatment linking him to General Vieux. Station is concerned that [redacted] may become desperate and reveal the names of his [redacted] contacts.
(b)(1)
(b)(3)
4. Station intends to withdraw ARMA from active participation in Track II activities before the evening of 24 October.
(b)(1)
5. Station's last false flag officer departed Santiago. The false flag base is now out of business.
(b)(3)

B. Accomplishments:

The Station has closed its outside base and all the false flag officers have safely departed Chile.

C. Situation:

The abduction of General Schneider which was planned for Monday evening was aborted because Schneider's car was "too fast and the abduction team was too nervous and inexperienced". Nevertheless, Valenzuela's group seems intent on overthrowing the government and has rescheduled another abduction attempt for 20 October. [redacted]
(b)(1)
(b)(3)

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EYES ONLY

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(b)(3)



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C01301923

Approved for Release: 2018/10/17 C01301923

~~SENSITIVE
SECRET~~

25 October 1974

TRACK II

A. Charter and Instructions

1. TRACK II started within the Agency on 16 September 1970 when the Director called together a group. Mr. Broe did a memorandum for the record of this meeting and paragraph 2 of his memorandum is quoted below.

The Director told the group that President Nixon had decided that an Allende regime in Chile was not acceptable to the United States. The President asked the Agency to prevent Allende from coming to power or to unseat him. The President authorized ten million dollars for this purpose, if needed. Further, the Agency is to carry out this mission without coordination with the Departments of State or Defense.

2. Tom Karamessines reported developments to date to Dr. Kissinger and General Haig on 15 October 1970. Mr. Karamessines approved a memorandum for the record of that meeting. It is noted that Dr. Kissinger discussed his desire that the word of our encouragement to the Chilean military in recent weeks be kept as secret as possible. Paragraph 8 of that memorandum is quoted below.

The meeting concluded on Dr. Kissinger's note that the Agency should continue keeping the pressure on every Allende weak spot in sight - now, after the 24th of October, after 5 November, and into the future until such time as new marching orders are given. Mr. Karamessines stated that the Agency would comply.

3. Headquarters initially informed Santiago that there was to be a new, highly sensitive program and advised that a staff officer would be sent to brief the Chief of Station in full detail. After that briefing occurred, in a cable dated 21 September 1970, Headquarters made it clear to Santiago that CIA had been directed to work toward a military solution to the program. The Station was advised by cable on 16 October 1970 that after a review the previous day at the highest U. S. Government level, the conclusion which was to be the Station's guidance was:

02301

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[redacted]

1311

(b)(3)

(b)(3)

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It is firm and continuing policy that Allende be overthrown by a coup. It would be much preferable to have this transpire prior to 24 October but efforts in this regard will continue vigorously beyond this date. We are to continue to generate maximum pressure toward this end utilizing every appropriate resource.

B. Actions

4. To implement the Presidential directions, Headquarters Task Force was established under the overall responsibility of Mr. Karameesines. Chief of the Task Force was Mr. David Phillips, who at that time was [redacted] the Deputy Chief of the Task Force was [redacted]. Phillips and [redacted] were recalled from their posts specifically for this purpose. A special communications channel was immediately set up between Headquarters, Santiago, and [redacted]. It was also determined that an outside station would be established at Santiago for appropriate contacts with the existing COS only and others in the TRACK II project. It was also determined that false flag staff officers, or "illegals," would be dispatched to Santiago. Subsequently, four officers with the appearance, language, and experience to sustain the cover of various foreign nationalities were recalled from their overseas posts to Washington, briefed, and dispatched individually to Chile. Their major U. S. contact in Santiago was [redacted] [redacted] who had resided in [redacted] for some time.

(b)(1)
(b)(3)

(b)(1)
(b)(3)
(b)(3)

(b)(1)
(b)(3)

5.

[redacted]
[redacted]

[redacted]

6. By special arrangement with top level of DIA, the Army Attaché in Santiago was placed under the operational direction of the CIA COS. His initial cabled instruction of 14 October was to select two Chilean general officers and convey to them the following:

2

02202

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High authority in Washington has authorized you to offer material support short of armed intervention to Chilean armed forces in any endeavors they may undertake to prevent the election of Allende on October 24, his inauguration on 4 November, or his subsequent overthrow.

Subsequently, by instructions from CIA the Army Attaché made a number of other contacts conveying essentially the same message. During October the Station and the Army Attaché made 21 contacts with key military and Carabineros officials. Where there appeared to be high-risk potential, the members of the illegal team initiated and picked up the contacts. It was judged that throughout the leadership of the Chilean military and Carabineros it was perfectly clear that the U. S. Government, on a discreet basis, would support with funds, material, and arms a military intervention to prevent Allende from being elected and inaugurated.

7. A retired Chilean Army general appeared at one time to give some promise of carrying out the purposes and objectives of TRACK II. He requested an air drop of arms and ammunition which was turned down. He wanted substantial financial support and a \$10,000 downpayment as a token of good faith was made. He wished life insurance policies for his principals up to \$250,000 in coverage which was agreed upon. Eventually it was determined that this effort did not have sufficient chance of success and contact was suspended.

(b)(1)
(b)(3)

(b)(1)
(b)(3)

(b)(1)
(b)(3)

(b)(1)
(b)(3)

8. During the last weeks of October, there were hopeful prospects for successful military intervention. This plan was developed among high-level military contacts. The commanding general [redacted] advised that he, the commanding general [redacted], the Commander in Chief [redacted], and the [redacted] Director [redacted] were prepared to sponsor a coup. This plan was actively encouraged. The only assistance requested was three submachineguns and ammunition, some tear gas grenades, and gas masks, all of which were provided. The Agency was prepared to pay \$50,000, which apparently was the price that had to be paid by this group for the planned kidnapping of General Rene Schneider. For various reasons, including the still-unexplained assassination of General Schneider on 22 October 1970, the military intervention did not take place.

(b)(1)
(b)(3)

9. Illustrative of Headquarters traffic to the Station on how the Station should deal with the Chilean military is a Headquarters cable of 30 September, number 449, which directs a priority effort to contact three named generals. The cable states:

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We should make it clear to these officers individually now that political solution ruled out, USG shares President Frei's view that military solution is only answer.

In another cable guidance to the Station of 7 October 1970, number 606, it is stated:

As possibility of political solution disappears we are left with military coup which should occur prior to 24 October and certainly before 5 November.

C. Termination of TRACK II

10. It appears that many of the Agency officers involved from the very beginning felt that attempting to spark military intervention had only a slight chance of success. After some period of time, this feeling intensified. For example, in a cable to the field of 23 October 1970, number 978, the Station is commended for what they had done to date. Headquarters sums up by saying:

Only Chileans themselves can manage a successful (military intervention), but the Station has done excellent job of guiding Chileans to point today where a military solution is at least an option for them.

11. There were reviews of the Chilean situation by the senior review group on 29 October 1970 which directed that an options paper be prepared for consideration at a National Security Council meeting scheduled for 5 November 1970. National Security Decision Memorandum 93, dated 9 November 1970, was the result of the National Security Council considering the options paper on 6 November 1970. The President approved Option C with slight modifications. This Option C is as follows:

Maintain an outwardly correct posture, but making clear our opposition to the emergence of a Communist government in South America; act positively to retain the initiative vis-a-vis the Allende government.

A number of specific actions were called for in NSDM 93, but nowhere was TRACK II-type activity specified

12. By the time NSDM 93 was approved (9 November 1970), the Task Force had been dissolved and the four illegals had been pulled out of

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SECRET~~

Chile. Nonetheless, the TRACK II mission of trying to provoke or encourage a military coup against Allende remained on the books. Contacts continued to be made by the Station with the Chilean military, but on much more of a cautious, developmental basis than had been the case under the Task Force. Eventually, Headquarters made it abundantly clear to Santiago Station that the TRACK II mission was dead. In a dispatch of 1 December 1971, Headquarters states:

The essential fact which must be kept in mind by all officers connected with the (military) program is that we do not have any authority to state, or even to imply, that (the United States Government) favors a coup as a solution to the Chilean dilemma.

5

02205

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Approved for Release: 2018/10/17 C01301923

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EYES ONLY~~

25 September 1970

TRACK II**A. Actions:**

1. Ambassador informed via our channels of decision to support Frei reelection effort should developments give him opportunity.

(b)(1) (b)(3) 2. Ambassador instructs Station and U.S. military take no further action to bring about military coup.

(b)(1) (b)(3) 3. [] Foreign Ministry source expresses contacted concern about Chilean developments and favors military action.

(b)(1) (b)(3) 4. [] Foreign Minister told COS [] pessimistic about Chile, believes Marxist Chile inevitable and that it will have divisive effect in [] (b)(1) (b)(3)

(b)(1) (b)(3) 5. Publisher of influential [] daily indicated willingness (b)(1) give editorial support to Chilean military coup effort. (b)(3)

6. Santiago Station reported on Frei meeting with General Schneider.

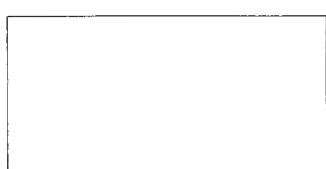
(b)(1)
(b)(3)**B. Accomplishments:**

(b)(1) (b)(3) Activities under this phase of the Chilean operation resulted primarily in the development of information regarding the positions [] (b)(1) And, in addition, the acquisition of intelligence (b)(3) about meetings between Frei and General Schneider.

C. Situation:

The Ambassador's instructions to the COS and U.S. military to cease efforts to promote conditions to bring about military intervention was the major development of Track II activities. In place of these efforts the Ambassador hopes to substitute across-the-board efforts to bring about a serious turn down in the economy and create a general atmosphere of economic panic. There is a distinct change in the operational ambiente which portends a major shift in emphasis.

(b)(3)



6-11-84

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~~SECRET/SENSITIVE
EYES ONLY~~TRACK II

24 SEP 1970

A. Actions:(b)(1)
(b)(3) (b)(1)
(b)(3)

1. [redacted]

2. [redacted] Headquarters advised Station acquire radio station to broadcast anti-Allende propaganda.

(b)(1)
(b)(3)

3. [redacted]

(b)(1)
(b)(3)(b)(1)
(b)(3)
(b)(1)

4. [redacted] Station advised not to make Track II contact with military.

(b)(1)
(b)(3)

5. [redacted] Station explained difficulties maintaining Track I and II compartmentation with Ambassador because of his political action initiatives.

(b)(1)

6. [redacted] Headquarters proposed various [redacted] country operations to complement Station activities but which would not increase handling load.

(b)(3)

7. [redacted] Station's views were requested on new propaganda tack which attacks Frei directly.

8. [redacted] Various meetings reported between Frei and Army generals and General Schneider and Santiago generals in which possibility of coup discussed.

B. Accomplishments:

1. The additional steps taken in Track II during the past twenty-four hours have consisted primarily of suggestions and proposals regarding possible ways of assisting the Station in intensifying the pressures on both Frei and the military. They are intended to contribute directly to raising the level of the emotional climate within Chile and especially in Santiago.

C. Situation:

1. [redacted] Reporting indicates that coup possibilities are being actively discussed by Frei and various Generals, and that the tempo of activity in this area is picking-up. The increased tempo is not all one-sided, however, and Allende forces are making a strong effort to establish alliances among the members of the military command. Meanwhile, we await the reports.

(b)(3)

~~SECRET/SENSITIVE
EYES ONLY~~

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328

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C01304701

Approved for Release: 2018/10/17 C01304701

~~SECRET/SENSITIVE
EYES ONLY~~

[On the outcome of the meeting between Frei and General Schneider which was to take place the evening of 22 September. General Schneider has indicated he would resign if Frei attempt to persuade or have him become involved in a military solution to the current problem. His role, therefore, becomes more important, and may well effect directly the future coup developments. Should he resign, or accept a transfer, rather than lead a coup attempt, it may well open the door for immediate military action.]

~~SECRET/SENSITIVE
EYES ONLY~~

Approved for Release: 2018/10/17 C01304701

~~SECRET/SENSITIVE
EYES ONLY~~

26 September 1970.

TRACK IIA. Action:

1. [Santiago reported on a meeting between Frei and a group of three key ministers who told him he stands in way of a solution asked him to resign, and authorize them to order army to intervene.]
(b)(1)
(b)(3)

2. [Station was authorized to discuss the possibility of the [] Army attempting to sway Chilean military.]
(b)(1)
(b)(3)

3. [The Ambassador's response to the Department through our channels indicates he taking steps to implement "economic pressure campaign".]
(b)(1)
(b)(3)

4 []
(b)(1)
(b)(3)(b)(1)
(b)(3)(b)(1)
(b)(3)5 []
(b)(1)
(b)(3)

Soviets reporting on developing situation in Chile based primarily on press and radio []
(b)(1)
(b)(3)

B. Accomplishments:

(b)(1)
(b)(3) [A major step was taken in the direction of increasing the climate for a coup with the approval and funding of the [] program. Tentative moves were made in soliciting [] assistance and in planning for increasing economic pressures. And additional intelligence was collected about PDC internal maneuverings in connection with a military coup.]
(b)(1)
(b)(3)

C. Situation:

[Latest reporting indicates that key PDC ministers are continuing efforts to get Frei to have the military intervene or authorize them to order the military to make its move. Meanwhile Minister of Economy Zaldivar's public address describing the rapid decline of the Chilean economy may have set the stage for follow-up economic action. At least the Ambassador appears to believe this and has already taken some steps to hasten this general economic decline.]

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(b)(3)

330

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C01307266

Approved for Release: 2018/10/17 C01307266

~~SECRET/SENSITIVE
EYES ONLY~~

TRACK II

3 October 1970

A. Actions:

1. The 40 Committee approved Ambassador Korry's recommendation that U.S. military aid to Chile be suspended until after 25 October.

2. President Frei said accurate version of his conversation with General Schneider on 23 September was that he never considered resigning or naming a military cabinet, and that the military should wait until after 24 October before acting.

3. [] Ambassador Korry informed Minister of Defense Ossa (through an Agency channel) that if Allende wins, the USG will not provide financial support to the PDC for post election activities.

4. [] Three "false flag" staffers will arrive in Santiago next week to establish an outside base.

5. General Camilo Valenzuela believes that the military will not take over the government, and should General Viaux decide to move on his own, he would fail.

6. [] Ex-Foreign Minister [] told [] that [] could assist in provoking economic crisis in Chile.

B. Accomplishments:

By the beginning of next week Santiago Station will have "false flag" staffers actively engaged in contacting Chilean military leaders. 40 Committee approval to suspend U.S. military aid to Chile until after the election might make our key targets more receptive to coup proposals.

C. Situation:

The situation remains relatively unchanged. President Frei is still unwilling or unable to pave the way for a military cabinet. Apparently he harbors the hope that he can work out a political solution to the present dilemma. The PDC junta today, however, may force Frei to reconsider the feasibility of a political solution.

At the same time the military remains reluctant to move against Allende despite their knowledge that the USG is considering cutting military aid to Chile and that no guarantees exist ensuring the positions of top military leaders.

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EYES ONLY~~

(b)(3)

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~~SECRET/SENSITIVE
EYES ONLY~~

10 October 1970

Track II

ACTIONS:

1. Station "false flag" officer contacted General Viaux who claimed that he had suspended his coup planned for this weekend until he talked with our officer. Viaux requested that we make an airdrop to establish our bona fides.

(b)(1)
(b)(3)

2. [redacted] Station was asked to estimate what the [redacted] response would be to an Agency request to cooperate in a small arms drop in Chile. The [redacted] cooperation would depend on the nature of the operation.

(b)(1)
(b)(3)(b)(1)
(b)(3)

3. General [redacted] told the Chief of Station that he believes there is no chance of military intervention directed by the Army High Command.

(b)(1)
(b)(3)

4. COS met with Col [redacted] who said that he had talked with General Viaux, and as a consequence is convinced that Viaux has no military support.

(b)(1)
(b)(3)

5. General Viaux intends to increase the level of terrorism in Santiago over the weekend. The objective of this activity is to provoke the UP into retaliatory violence and public disorders.

ACCOMPLISHMENTS:

~~Cooperative~~

The COS and [redacted] have passed the word to the highest levels of the Chilean military that the USG is willing to support any military move to deny Allende the Presidency. Yesterday the COS held exploratory conversations with General [redacted], who was very pessimistic about the possibility for military intervention, and a false flag staffer met with General Viaux who requested an air drop of weapons to help him launch a coup.

(b)(1)
(b)(3)

SITUATION:

Although the Military High Command is aware of our desire and willingness to help block Allende, they remain reluctant to act. At the present time only one military leader of national stature, General Viaux, appears committed to denying Allende the Presidency by force, and it is not clear how much support this retired General will be able to muster for a coup attempt.

(b)(3)

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~~SECRET/SENSITIVE
EYES ONLY~~

20 October 1970

TRACK II

A. Actions:

1. General Valenzuela advised [] that the military was ready to launch a coup. Valenzuela's plan includes the abduction of General Schneider and the resignation of President Frei and most of his Cabinet.

2. Santiago Station has authorized [] to pay General Valenzuela \$50,000, which was the price agreed upon between the plotters and the unidentified team of abductors.

3. Station false flag officer met with [] who reported that the coup was now set for Wednesday night and that the abduction of General Schneider is the first step in the coup attempt. [] and Vaux are all leaving for Valparaiso on 19 October.

4. [] arranged a meeting between Air Force General [] Captain [] and Lt. Col. [] on 18 October.

5. According to Radio Balmaceda, Major Arturo Marshall was arrested on the morning of 19 October.

6. Station false flag officer contacted Retired Navy Captain [] who seemed sincere in his dedication to remove Allende from power. He is not, however, sanguine about the chances of blocking Allende.

7. [] Station requested permission to tell General [] that "something may happen in Chile within the next 48 hours".

Station was authorized to alert [] but without details.

B. Accomplishments:

In recent weeks Station false flag officers and [] have made a vigorous effort to contact, advise, and influence key members of the military in an attempt to rally support for a coup. Valenzuela's announcement that the military is now prepared to move may be an indication of the effectiveness of this effort.

(Continued next page)

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(b)(3)

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[SECRET/SENSITIVE]
EYES ONLY

20 October 1970

TRACK II Continued....

(b)(1)
(b)(3)

(b)(1)
(b)(3)

C. Situation
(b)(1) At last, [the military is pulling itself together in an effort to
(b)(3) deny Allende the presidency. Apparently a number of senior military
leaders (General Valenzuela, Admiral [redacted], General [redacted]
and General [redacted]) have joined together and have agreed
to move against the government.] This development was brought to
the attention of the Station late Sunday evening when General Camilo
Valenzuela called upon [redacted] to alert him that the
Chilean military was ready to attempt to overthrow the government.
The first step in this coup will be the abduction of General Schneider
which was scheduled to take place last night.

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22 October 1970

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TRACK IIA. Actions:

1. Presumably the attempt to kidnap General Schneider on Tuesday evening was aborted.
2. Lt. General Bennet advised ARMA that the decision to temporarily suspend MAP and FMS programs to Chile has been rescinded.

B. Accomplishments:

Headquarters requested that ARMA continue to assure General Valenzuela and others with whom he has been in contact that the USG support for anti-Allende action continues, and that the door will be open now or in the future in the event of new plans or developments.

C. Situation:

Since Valenzuela's group is apparently having considerable difficulty executing even the first step of its coup plan, the prospect for a coup succeeding or even occurring before 24 October now appears remote.

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23 October 1970

TRACK II

I. Situation:

Yesterday morning at 0815 hours unidentified gunmen shot and seriously wounded Chilean Army Commander General Rene Schneider. He was rushed to a military hospital for emergency surgery. An Army high command communique said he was in serious condition and the latest medical bulletin last evening stated his condition had worsened and that he would have to undergo further surgery. The shooting came just 48 hours before Congress was to vote on confirming Salvador Allende as President. As a result of this assassination attempt the following developments have taken place in the past 24 hours.

II. Developments:

A. General Carlos Prats assumed the position of Army CINC.

B. General Camilo Valenzuela assumed the position of Jefe de Plaza for law and order in Santiago Province.

C. State of emergency declared throughout Chile.

D. Armed Forces and Carabineros confined to barracks.

E. Military given responsibility for investigating the assassination attempt.

F. Rigid curfew imposed.

G. All exits from Santiago under close control.

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TRACK II (Continued)

H. Information media instructed not to publish or broadcast information which could alarm or incite the public.

I. Retired General Emilio Cheyre designated Chief of Investigations and Socialist Rene Paredes (pro-Allende) named Sub-Director.

J. The UP issued a statement blaming the attack on rightists supported by foreign elements.

K. Chilean Confederation of Workers called an emergency meeting to discuss the assault on Schneider.

L. Technical Students planned a demonstration for yesterday afternoon.

M. Government investigating recent arrival of foreigners in Chile.

N. General Viaux, retired Lt. Col. Jose Cabrera and six unidentified persons, including members of Patria y Libertad, reportedly have been arrested.

O. The three Armed Forces Commanders in Chief, General Prats, Admiral Tirado, and General Guerraty, issued a communique condemning the attack on Schneider and announcing their support for the constitution.

P. Allende met with President Frei yesterday afternoon and asked Frei to adopt drastic measures to crush a "seditious plan".

Q. General Valenzuela addressed the nation over radio last evening concerning measures to be taken under the state of emergency.

(Continued next page)

- 2 -

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EYES ONLY~~**TRACK II (Continued)**

R. President Frei spoke over nationwide radio expressing his profound indignation over the attempted assassination and explained the steps taken under the state of emergency.

III. Analysis:

With only 24 hours remaining before the Congressional run-off, a coup climate exists in Chile. The assassination attempt against General Rene Schneider has set off a train of events that has started Chileans talking about a coup and has raised the expectation that something significant will occur today.

The attack on General Schneider has produced developments which closely follow Valenzuela's plan: Schneider has been removed, a state of emergency has been declared, General Prats has replaced General Schneider, radicals have been arrested, and General Valenzuela has assumed control of Santiago Province. Consequently, the plotters position has been enhanced, but it is not clear that these developments are the direct result of Valenzuela's initiatives. Although the plotters may have second thoughts about a coup, they nonetheless are irrevocably committed to executing the plot - even if Frei refuses to resign - since it can be assumed that their plotting would eventually surface under an Allende government. Hence they have no alternative but to move ahead.

The state of emergency and the establishment of martial law has significantly improved the plotters position: a coup climate now prevails in Chile, and military officers have replaced civilians at the provincial level. This condition greatly inhibits any future effort by Allende to counteract the coup. The next step in Valenzuela's

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TRACK II (Continued)

plot, which is the most important one, calls for the resignation of Frei and his cabinet. Thus far, President Frei shows no indication that he intends to resign. If Valenzuela has advised Frei of his plan and Frei has concurred, then Frei certainly would be compelled to resign. Should Frei not be advised - as appears to be the case - a confrontation between the plotters and Frei can be expected before the Congress meets tomorrow.

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26 October 1970

TRACK II

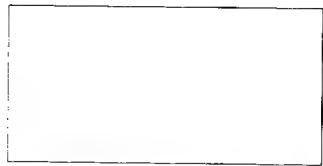
Actions:

1. General Rene Schneider died yesterday morning.
2. Pablo Rodriguez Grez, head of Patria y Libertad, was arrested on 24 October while boarding an alleged internal flight to La Serena. A pistol was found in the aircraft during the pre-flight examination by authorities.
3. During a press conference on 24 October General Emilio Cheyre identified six of the most important suspects in the shooting of General Schneider. Since 22 October about 150 persons have been arrested for possible involvement in the attack on Schneider.

Situation:

Chile is quiet today despite the death of General Schneider and the congressional confirmation of Allende as president. The "state of emergency" still applies and there are no indications that Valenzuela's or Viaux's group are planning a coup before 3 November.

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Approved for Release: 2018/10/17 C01325319

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9 March 1974

SUBJECT: CIA Chilean Task Force Activities, 15 September-3 November 1970
(Projects [redacted] and FUBELT)

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1. On 16 September 1970 the DCI informed a group of senior Agency officers that President Nixon had decided that an Allende regime in Chile was not acceptable to the United States. The President asked the Agency to prevent Allende from coming to power or to unseat him and authorized up to ten million dollars for this purpose. Further, the Agency was directed to carry out this mission without coordination with the Departments of State or Defense. The DDP was assigned overall responsibility for this project with the assistance of a special WH Division Chilean Task Force.

2. Although Allende had received a plurality of the popular vote in the 4 September Presidential elections, he required confirmation in a Congressional run-off scheduled to be held on 24 October, prior to being invested as President on 3 November. The Task Force attempted a dual approach to blocking Allende consisting of Track One (the "constitutional" route) and Track Two (the military coup route - which was also known as Project FUBELT). Track One involved a series of efforts to coerce a reluctant and indecisive President Frei to use legally available means in an admittedly difficult political maneuver to stop Allende. The Department of State and the Ambassador were aware of the general nature and objectives of the Track One program which was conducted with 40 Committee approval.

3. By early October it was clear that President Frei was unlikely to move decisively in this situation and the Task Force therefore placed primary emphasis on the far more sensitive Track Two activities designed to provoke a military coup. For this purpose the U.S. Army Attaché in Chile was placed under the operational control of the COS through a special arrangement with the Department of Defense. In addition, four non-American appearing "illegal" case officers, under alias, were assigned to the Santiago Station to handle those military contacts with the highest risk potential. Between 5 and 20 October the Station and the Army Attaché (mostly the latter) made 21 contacts with key military and Carabinero (national police) officials. Seven of these officials were advised by the Army Attaché of the U.S. Government's decision to

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deny Allende the presidency and its willingness to support a coup attempt. The "illegals" separately met with two well-known Chilean military coup plotters who requested arms, ammunition and funds but contact was suspended with these two individuals when it was determined that they lacked the organization to conduct a successful coup.

4. Eventually, the best prospects for a successful coup were developed among the high-level military contacts of the Army Attaché. On 18 October the Commander of the Santiago Garrison, General Valenzuela, advised that he and a group of other high military officers were prepared to kidnap Army Commander in Chief General Schneider who was opposed to any intervention by the armed forces to block Allende. The only assistance requested by Valenzuela to set his plan in motion was three submachine guns, ammunition, a few tear gas grenades and gas masks (all of which were provided by the Station through the Army Attaché) plus \$50,000 for expenses (which was ready to be passed upon demand).

5. On 22 October General Schneider was mortally wounded in an apparently bungled kidnapping attempt. It still is not certain who or what group was ultimately responsible for Schneider's assassination. The Valenzuela group claimed that it was not and subsequently returned all of the CIA provided weapons and materiel to the Army Attaché. In any event the assassination of Schneider provoked a strong reaction in Chile and Allende was elected easily by Congress on 24 October.

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(Project [redacted] was established on 18 September 1970 with DCI approval for [redacted] to cover expenditures on these activities - Project FUBELT, et al.)

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DD/O 18-1330

Executive Registry
78-6191

28 FEB 1978

MEMORANDUM FOR: Director of Central Intelligence
VIA : Deputy Director of Central Intelligence
Deputy Director for Operations
FROM : Raymond A. Warren
Chief, Latin America Division
SUBJECT : Chile
REFERENCE : DCI Memorandum to DDO and IG re Chile,
dated 21 February 1978

1. Action Required: None; for information only.
2. Background: Attached are the following documents which will put into perspective Agency covert activities in Chile:
 - a. Statement to Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities (Church Committee) by former DDO William E. Nelson on 25 October 1975. (Attachment A)
 - b. Resume of contacts with ITT. (Attachment B)
 - c. General misconceptions (myths) regarding CIA activities in the 1970 Chilean elections. (Attachment C)

/s/ George V. Leuder
Raymond A. Warren

3 Attachments a/s

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Statement

by

William E. Nelson
Deputy Director for Operations

Executive Session

before

United States Senate

Select Committee to Study Governmental Operations

With Respect to Intelligence Activities

28 October 1975

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CHILE

Mr. Chairman and Members of the Committee,

CIA covert action in Chile over the past decade is an emotion packed subject. As a result, the debate over the wisdom and propriety of this action is often filled more with heat than light. Public understanding of the facts of this activity and the intentions of the U. S. Government in pursuing it have been obscured by a heavy cloud of mythology. In the interests of subsequent clear discussion of the issues involved here, I hope this morning to sketch briefly the facts of U. S. involvement in the political affairs of Chile in the past ten years and to indicate what the record reveals regarding the motives and intentions of U. S. policymakers.

First, the setting: Chile is a long narrow country strung out along the southwest coast of South America. It has a population of some 11 million people with a high rate of literacy, a substantial middle class and a considerable industrial base. It has a democratic tradition and is one of the few countries in Latin America where the military forces have historically been largely non-involved in the political affairs of the country.

The 1964 Presidential election campaign. Large-scale U. S. covert political action in Chile began with the 1964 Presidential elections. This involvement had its origins in the results of the 1958 elections in which

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Salvador Allende as the leader of a communist and socialist coalition polled a surprisingly strong 28.9% of the total vote and came close to winning the election. Allende was a self-professed Marxist, whose stated intent was to bring about an "irreversible" Marxist revolution in Chile.

By 1962, Fidel Castro had consolidated his position in Cuba and, as it became apparent that Allende's Popular Action Front was prepared to make an all-out bid to win the 1964 elections, concern grew in Washington that the U. S. would be faced with another Marxist government in Latin America. Throughout 1959 and 1960, Allende was a frequent visitor to Cuba. He strongly endorsed Castro and even indulged in some revolutionary rhetoric regarding the rest of Latin America. He professed to adhere to the electoral route as his own means to power.

In 1962, funds were authorized to assist the Christian Democratic Party in order to build it up as a democratic alternative to Allende's Popular Action Front. Funds in 1963 were also authorized to support the leader and candidate of the then moderate Radical Party.

In March 1964, it became clear as a result of the victory of the Popular Action Front candidate in a major by-election that the Allende forces were a serious threat to win the September election.

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In April 1964, the Special Group, (a predecessor of the 40 Committee), approved the first installment of what was to develop into a \$3 million dollar program to support the Christian Democratic Party candidate, Eduardo Frei. Most of the funds provided were through a covert subsidy to the Party with some lateral support by other groups and parties and support to the Radical Party candidate to help him maintain his candidacy.

Frei won the election with 56% of the vote as against 39% for Allende with 86% of the electorate voting.

Covert action during the Frei regime -- 1965 to 1970. In this period money was authorized as follows:

1964 - \$160,000 support to [redacted]

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grass roots organizations among slum dwellers and peasants.

1965 - \$175,000 was spent in assistance to democratic candidates in the March 1965 Congressional elections. This program was designed to assist 35 moderate candidates representing all anti-Allende parties who were considered to be involved in tight races against leftist candidates. Moderate.

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particularly [redacted] (b)(1)
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candidates, scored impressive victories in
many close races.

1967 - \$30,000 was spent to strengthen the moderate factions

in the [redacted] (b)(1)
(b)(3)

1968 - A program of \$350,000 was authorized to assist
moderate candidates in the March 1969
Congressional elections. The results show that

this limited program was relatively effective
in that 10 of the 12 candidates elected won their

(b)(1)
(b)(3) races. This program was run against a back-

(b)(1)
(b)(3) ground of internal dissension within the [redacted]

(b)(1)
(b)(3) [redacted] Party and a major push by the [redacted]
[redacted] to unite as many leftists and left of center
(b)(1)
(b)(3) groups as possible in preparation for the 1970
Presidential elections.

The 1970 Presidential election race. In the political maneuvering
prior to the September 1970 Presidential election, Allende again emerged as the
candidate for what was now called the Popular Unity Forces. He was opposed by

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Jorge Alessandri, as the candidate of the center right, and Radomiro Tomic for the Christian Democrats. In March 1970, the 40 Committee decided that the U. S. should not support either of the candidates opposing Allende but should attempt spoiling operations against the [redacted]. The (b)(1) (b)(3) Committee approved \$125,000 to support a propaganda mechanism and some funds fo (b)(1) (b)(3) selected individuals in the [redacted] Party to reduce the number of (b)(1) (b)(3) votes the [redacted] Party could deliver in support of the [redacted]. As the summer campaign wore on Alessandri lost popularity. Tomic's campaign stalled and Allende's group continued to gain strength. Based on Ambassador Korry's recommendation the 40 Committee approved an authorization for an additional \$300,000 for anti-Allende propaganda.

Allende was a narrow winner in the three-way Presidential election (b)(1) of 4 September 1970, gaining 36.6% of the vote as compared to 35.3% for (b)(3)

(b)(1) Alessandri and 28.1% for Tomic. [redacted]
(b)(3)

[redacted] The election law provided that, when no President receives a popular majority, the Chilean Congress must choose between the two top candidates. This produced a period of intense activity in which efforts were made by the U. S. Government to prevent Allende's confirmation by the Congress.

Covert action during the period between the Presidential election of
4 September 1970 and the 24 October 1970 vote by the Congress. On 14 September

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1970, the 40 Committee approved \$250, 000 for use at Ambassador Korry's discretion in an attempt to swing Congressional votes to Alessandri. These funds were not spent. At the same time, on 15 September 1970, President Nixon called in the DCI and instructed him to attempt an effort to prevent Allende from taking power when and if it appeared the Constitutional route would not succeed. The Agency was instructed to carry out this activity without reference to any other department of government. By early October it became clear that action to swing Christian Democratic votes to Alessandri would not be decisive and therefore contacts were established by CIA with the Chilean military to determine the possibility of their intervention to prevent Allende from taking power.

There were a number of different groups in the Chilean military involved in coup plotting. The Agency developed contact with one group headed by retired General Viaux and with another headed by an active duty military General Valenzuela. The object of both of these groups was to attempt to remove from office General Rene Schneider, the Army Commander-in-Chief who was a major stumbling block to their plans for a military coup. Both hoped to remove Schneider from the scene by kidnapping him.

Discussions with the Viaux group progressed rapidly but by 15 October the decision in Washington was that Viaux had virtually no chance of launching

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a successful coup. Accordingly, a message was conveyed to the Vaux group warning it against precipitous action. Contact with that group was terminated on 18 October with no support given them.

Discussions with the Valenzuela group took longer to develop. This group requested tear gas grenades and three sub-machine guns and planned to stage an abduction of General Schneider on 19 October. This operation did not come off however, although weapons were passed to the group on 22 October. On 22 October the Vaux group, acting independently, carried out an abduction attempt against General Schneider, who resisted and was shot. Schneider's death terminated any further attempts by the military to take action, and Allende was confirmed by the Congress on 24 October 1970.

Covert action activities from 1970 to September 11, 1973. Allende's first two years in power, 1971 and 1972, were marked by his use of all Constitutional and legal means at his disposal to move Chile in the direction of a socialist state. He began to nationalize Chilean major industrial and commercial enterprises and brought others under severe government harassment. The economic control was designed to weaken the political opposition by eliminating the private sector which provided the financial support for the opposition's electoral and media activities. The government also tried to silence the opposition

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by action against the independent press. It first tried unsuccessfully to obtain control over the distribution of newsprint. Then an extension on loans were not granted by government banks, taxes on news media were raised and government advertising and the revenue it produced was no longer available to nongovernment aligned outlets. Revolutionary organizations of special communal commands were established to control the distribution of essential articles, mainly food. The Soviet and Cuban presence grew and by March 1972 Soviet Bloc credits of some \$200 million had been extended to Chile and the Soviets were dangling an offer of \$300 million to the Chilean military so that they might purchase Soviet military equipment.

During this early period, with 40 Committee approval, the Agency was tasked with a broad spectrum of activities which were designed in the main to keep alive the political opposition to Allende and the sustenance of private sector organizations and news media which were under heavy financial pressure. A total of \$6 million was expended in this effort.

Of the \$6 million expended over half was in support of political parties, particularly the Christian Democrats. Another \$1.5 million was expended to keep in publication, El Mercurio, a major independent daily in the country. The remaining money was spent to support elements in the private sector and for other media and propaganda support operations.

Popular disillusionment with Allende continued to grow during the

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latter half of 1971 and in 1972 and by 1973 the Popular Unity Front was able to muster only 43% of the vote in the national Congressional elections. The economy was rapidly deteriorating. Strikes by shopkeepers and truckers (which were not supported by CIA) and boycotts by students were serving to bring together widely divergent segments of Chilean society in common opposition to Allende. By 1973, the government was declared to have placed itself outside the law and the Constitution in separate declarations by the Congress, the Supreme Court and the Comptroller General of the Republic.

These confrontations between the Allende administration and the other branches of the government caused growing concern within the Armed Forces which until the fall of 1973, had scrupulously adhered to their historical tradition of non-intervention into politics.

By September 1973, the country was faced with social and economic chaos. Civil war was a growing possibility. Allende had depleted a national economy with reserves amounting to nearly \$400 million despite considerable delivered and promised aid from the Soviet Union and East Europeans. The accumulation of concerns finally moved the military to seriously consider a coup. This resolve was strengthened by the discovery that the Popular Unity Front was attempting to penetrate, subvert and foment divisions within their commands.

During this period CIA had been in touch with members of the Armed Forces for purposes of intelligence collection. The Station Santiago was specifically

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prohibited from involving itself in any coup plotting on the part of the Chilean military. It can be categorically stated that the Agency did not encourage or support the 1973 military coup which brought down the Allende Government and

(b)(1)
(b)(3) resulted in his death.

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This is a brief record of the Agency's activity in Chile during the period 1964 to the present. Some of the basic facts are worth repeating:

.... All Agency activity as regards Chile was conducted with specific approval by the 40 Committee and Presidents involved. The desperation move in September of 1970 to prevent Allende's coming to power by a military coup was the exception to broad interdepartmental coordination on the subject of Chile.

.... U. S. Government policy prior to 1970 was to prevent a devout Marxist from taking power and U. S. policy after 1970 was to

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attempt to support and sustain until the 1976 elections a democratic opposition to a government which grew increasingly intolerant of that opposition and by 1973 was clearly operating outside the Constitution.

.... During this period there were 31 separate briefings of Congressional Committees of CIA's covert action program in Chile.

The following statements or myths about the Chile program are not true:

.... There was never an effort to "destabilize" the Chilean Government during the period 1970 to 1973. As indicated above the effort was to keep a free press and a democratic opposition alive. Democracy in Chile was done in not by CIA but by the ruinous economic policies of a Marxist ideologue who finally brought about a situation in which the non-political military felt they had no alternative but to act.

.... The Agency did not bring on or encourage the military coup of September 11th 1973 and did not play any role in Allende's death.

.... As you know from your exhaustive investigations the Agency had broken off and provided no support to the group

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that shot General Schneider.

Mr. Chairman, U. S. policy from 1962 to 1970 was consistent in attempting to prevent the takeover of the Government of Chile by Allende and his communist and socialist compatriots. The course of events in Chile since Allende's takeover prove the wisdom of that policy. The present Government of Chile has a considerable way to go but military governments in Latin America have been followed by more democratic alternatives.

There are honest differences of opinion about the wisdom and efficacy of all of the policy decisions on Chile over the past decade. It is worth noting that the Cubans and the Soviets considered the course of events in Chile as a disaster to their interests. The Soviets in their comments on Chile emphasize that Chile proves the thesis that "socialist revolution" should never be attempted without political control of the military forces -- a lesson they have been working hard in Portugal to put into practice.

Was our role in Chile bad and anti-democratic? I think not. The U. S. was acting within the broad mainstream of traditional U. S. policy in Latin America. That policy has been to resist the establishment governments in Latin America with close ties to European powers -- in this case the Soviet Union. That policy, around the world, has also been to oppose the attempt by minority communist and radical Marxist parties to takeover governments in the knowledge that once in power these forces ultimately destroy the elements of democracy and diversity that enabled them to gain power. What has been preserved in Chile is the chance to begin again.

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Agency-ITT Relationships

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6. In the pre-election period CIA actively pursued an advisory role with ITT on where and how to use their funds in support of Alessandri against Marxist candidate Allende. In the interlude between election and inauguration of Allende, CIA, along with other USG agencies, implemented a 29 September 1970 decision by the 40 Committee to undertake economic pressure against Chile utilizing U.S. business firms with Chilean interests.

7. In the post inaugural period CIA maintained contact with various ITT officials on an irregular basis, but did not pursue any action program with ITT, although there was, on these occasions, an exchange of information.

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Myths and Facts

1. Myth: CIA unilaterally, without authority, undertook covert action in the 1970 presidential election in Chile.

FACT: All actions undertaken by the CIA in the 1970 presidential election were directed by the 40 Committee (Track I) or by President Nixon (Track II).

2. Myth: CIA was responsible for the attempted kidnapping and death of General Schneider.

FACT: The CIA did not participate in the bungled kidnapping and death of Chilean Army Commander-in-Chief General Rene Schneider. CIA had been in touch with the group that was responsible for Schneider's death but CIA had broken off contact with the group several days prior to that event and had warned the group against taking any precipitous action since it was clear that they did not have a chance of pulling off a successful coup.

3. Myth: The CIA continued to try to effect a coup but did not keep the White House informed of such efforts after 15 October 1970.

FACT: There was conflicting testimony before the Church Committee that the White House (Henry Kissinger/General Haig) stood down on efforts to promote a military coup after 15 October 1970. CIA officials testified that CIA activities in Chile were known to and thus authorized by the White House. There is no documentary proof that CIA was instructed to stand down after 15 October 1970. CIA activities in Chile after that date were made known to the White House which did not object to such activities, thus, in effect, authorizing the continuance of these activities.

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4. Myth: CIA sought the assistance of ITT to provide funds for Chilean Presidential candidate Alessandri and the major Chilean newspaper El Mercurio.

FACT: ITT, not CIA, initiated the dialogue on ITT assistance to candidate Alessandri and the newspaper El Mercurio as the result of a telephone call from [redacted]

CIA did not accept any ITT funds nor serve as a funding channel to Alessandri and his National Party. [redacted] was specifically told that CIA could not absorb any ITT funds nor could CIA serve as a conduit to infuse ITT funds into Chile.

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SUBJECT: Chile

CONCUR:

John W. Stein

1 MAR 1978

/ Deputy Director for Operations

Date

DDO/C/LA/STB/WSturbitts:esm (X9127) (28 Feb 78)

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The Director
Central Intelligence Agency



Washington, D.C. 20505

Latin America

18 March 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Stansfield Turner
Director

SUBJECT: Recommendation That Two ITT Officials Be Prosecuted
for Violation of Federal Law in Connection With Their
Testimony Concerning ITT Activities Related to the
1970 Presidential Election in Chile

REFERENCE: The Attorney General's Memo, Same Subject, Dated 17 March

1. The Attorney General's memorandum of 17 March declares his intention to proceed with the prosecution of Robert Berrellez and Edward J. Gerrity for various criminal offenses. I cannot say to you that these offenses were not committed. Nor obviously can I say that there is not an important governmental interest in prosecution. What I can do, and I think must do, is to give you my general estimate of the potential impacts of prosecution in these cases. I have outlined these considerations in great detail to the Attorney General, both orally and in writing.

2. Even assuming the necessary proof can be kept within the narrowest possible bounds, the potential consequences are as follows:

-- First, we will suffer losses, ranging anywhere from anger and yet another loss of confidence in CIA to a total breakdown in intelligence relationships, in [redacted]. A cut-off or reduction of [redacted] would be especially damaging given the growing importance of [redacted]

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[redacted] I also cannot ignore the possibility that CIA personnel in both [redacted] will be placed in some personal jeopardy as a result of the disclosures that a trial will require and the flare-up of anti-CIA feelings that it will stimulate.

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-- Second, [redacted] are very likely to be exposed. The trial would thus produce the spectacle of the U. S. Government compromising its intelligence agents by its own deliberate act.

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3. These cases have been under investigation for more than two years. The Agency has declassified hundreds of documents to assist the investigation. We have leaned over backwards to avoid any charge that a national security blanket has been thrown over the case to prevent a prosecution. But I cannot in good conscience, or faithfully to my oath of office, declassify information that in my judgment will lead to serious impairment of our capacity to conduct the intelligence functions of the United States.

4. The Attorney General said in his memorandum that there can be no guarantee against further demands for information if the case goes forward. My own sense is that further demands will be inevitable, and in great quantity. It is nearly certain that any trial will be protracted and highly publicized, both here and abroad. It is clear that many former and current Agency officers will be called as witnesses. We also know that in 1970 ITT and CIA were following parallel programs to influence the political succession in Chile. That circumstance threatens to draw into question and to open up at any trial a wide range of properly authorized Agency activities and relationships, and counsel for Messrs. Gerrity and Berrellez will have every inducement to exact the disclosure of national secrets to bolster their defenses and to make the going as painful as possible for the prosecution. If as I suspect the cases spread out and begin to reach their broader dimensions, there would then be put at risk, among other matters, information having to do with the identity of former and current agents; communications intelligence capabilities; the Agency's worldwide propaganda network; the Agency's [redacted] various cover arrangements of great sensitivity and other intelligence techniques; and the cooperative and highly confidential efforts of [redacted]

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(b)(3) in support of U. S. opposition to the formation of an Allende regime in Chile.

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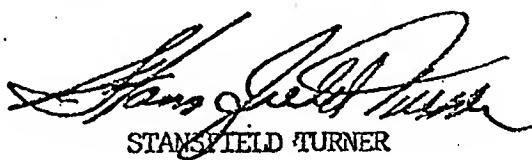
5. At no time have I taken the position that the Justice Department could not use whatever documents or witnesses it regards as necessary to maintain a prosecution. However, I have taken the position that it is not for me to declassify information that I believe would injure vital national intelligence interests if disclosed. If the potential consequences of a trial in this case are acceptable, so be it, but in fairness both to you and the Attorney General it has seemed to me that I have no choice except to spell out those consequences as I see them. I cannot guarantee that these consequences will actually occur any more than the Attorney General can guarantee the opposite. I can tell you that the events over the last few years have endangered the Agency's capacity to function effectively, and that agents, foreign intelligence services, and U. S. corporations are all

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more and more reluctant to cooperate with us. The trial of the Gerrity and Berrellez cases will do still further damage, which is bound to be substantial and could be worse depending on the scope of the information that is disclosed.



STANSFIELD TURNER

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BRIEFING NOTE - CIA/ITT/Chile Investigation

I. Background

A. Since the end of 1974, the Criminal Division of the Department of Justice has investigated sworn testimony of former DCI Richard Helms and others, Agency operations in Chile in the late 1960's and early 1970's and related matters, including Agency relations with ITT. Over 51 thousand items from CIA files have been reviewed. More than 2,000 documents were declassified to the greatest possible extent. Upwards of 40 current and former CIA employees, a number of whom are now or have been under cover, have been identified as possible witnesses. Taken as a whole, the 2,000 documents furnished to Justice give a full account of how CIA plans and carries out a covert action program.

B. The following damage assessment sets forth the potential consequences of a trial where these 2,000 items plus at least part of the remaining 51,000 items may be required.

II. Damage Assessment

A. Definite Consequences

1. An Agency covert action operation which was ordered by the President and designed to influence the political succession in a foreign country would be fully revealed.

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2. Relations with [redacted]

would be adversely affected upon exposure of their involvement.

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a. [redacted] - Offered to provide equipment to prevent an Allende government from taking power and offered [redacted] Agent assets [redacted]

b. [redacted] - Contact with CIA on the Chilean succession problem.

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c.

intelligence service not only provided intelligence information, but actually handled CIA assets. They had responsibilities should the U.S. be forced out. Similar involvement by the [redacted]

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3. Agency documents reveal specific Western European, as well as similar [redacted] other Latin American media assets/organizations many of which are still cooperating [redacted] and would damage individuals.

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4. Agency penetrations of the [redacted] names of collaborating politicians are revealed in Agency documents. Careers, and in some cases lives, would be endangered.

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5. Collection capability in Chile would be adversely affected and key sources endangered.

6. Ability to recruit new sources would be impaired. One very specific impact has already been felt. [redacted]

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7.

[redacted] collaborated with the CIA during the period in question and is a continuing source. This reporting would be lost and serious personal consequences to the individual could result.

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[redacted] This individual would be in personal jeopardy.

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9. Agency documents contain true names, cryptonyms and descriptions of [redacted] of our most sensitive "agents of influence" in Latin America and Europe.

10. CIA relationships with prominent U.S. persons would be revealed, for example:

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a. [redacted] businessman, [redacted]

[redacted] to encourage the latter to move against Allende.

b. [redacted]
Co., was used as an intermediary with the [redacted]

[redacted] to strongly oppose an Allende government.

c. [redacted] helped line up [redacted] opposition to Allende government.

11. CIA contacts/relationships with [redacted] officials would be revealed.

12. Intelligence methods would be revealed:

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a. Special CIA [redacted]

b. CIA [redacted]

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c. "Stay-behind" contingency planning involving the [redacted]

d. Use of false flag officers and a covert base.

B. Possible Consequences

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1. Political reprecussions could result from the revelation that:

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a. [redacted] - At our urging, [redacted]
[redacted] made a special trip [redacted] with Frei, each time urging Frei to act.

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b. [redacted] At our urging, [redacted]
[redacted] sent a special emissary to Frei, with a message of support and encouragement.

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c. [redacted] - At our behest, U.S. Ambassador [redacted]
seek support of the [redacted] and their opposition to Allende. Similar approaches were made to the [redacted]

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2. CIA helped to organize [redacted]

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3. Contacts with President Frei, Chilean military Commanders and with many lower ranking officers would be revealed and careers adversely affected.

4. [redacted] would be revealed.

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5. A large number of Agency employees (conservatively: [redacted] and their cover situations would be identified publicly. Apart from the obvious damage (and danger) to the individuals and to the continued viability of cover arrangements, the signal to other employees, to recruitment prospects for the clandestine service and to potential sources of [redacted] would be strongly negative.

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(b)(3) 6. More than [redacted] Agency stations/bases abroad would be surfaced.

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C. General Consequences.

1. There would emerge from the record of a public trial a complete picture of a complex/sensitive CIA covert action operation.

2. Hostile intelligence services could accurately assess U.S. intelligence capabilities, identify modus operandi and locate weaknesses. The covert hand of the U.S. Government could more easily detect at an early stage and action taken to neutralize/frustrate these efforts. Deceptions using this information could make it appear that the U.S. Government was interfering when it was not.

3. Foreign agents and liaison services may lose confidence that such collaboration can be kept secure.

4. Prospective agents are difficult to recruit under ideal circumstances. Recruitment would be impossible if there was not an absolute faith that their identity and the fact of their collaboration would be tightly controlled.

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(b)(3) 5. Declassified ITT/Chile documents detail the complex relationships of the Agency [redacted] and the nature of classified research/development contacts.

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(b)(1)
(b)(3) 6. Exposure of these relationships would be traumatic to those in the United States who provide [redacted] expertise or make it possible for CIA to harness the special capabilities of U.S. persons. The willingness of U.S. citizens [redacted] to provide CIA with confidential information and services depends on a guarantee of confidentiality from CIA. These citizens [redacted] have much at stake and even the most patriotic of them could not be expected to risk their careers and businesses without the firmest CIA commitment to protect the fact of their collaboration.

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DOCUMENT No. 20B

DATED 28 February 1978

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Exemptions: 1, 5(c)
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DD/O 78-1336

Executive Registry
78-519//

28 FEB 1978

MEMORANDUM FOR: Director of Central Intelligence
VIA : Deputy Director of Central Intelligence
Deputy Director for Operations
FROM : [Raymond A. Warren] 25X/A
Chief, Latin America Division
SUBJECT : Chile
REFERENCE : DCI Memorandum to DDO and IG re Chile,
dated 21 February 1978

1. Action Required: None; for information only.
2. Background: Attached are the following documents which will put into perspective Agency covert activities in Chile:
 - a. Statement to Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities (Church Committee) by former DDO [William E. Nelson] on 25 October 1975. (Attachment A) 25X/A
 - b. Resume of contacts with ITT. (Attachment B)
 - c. General misconceptions (myths) regarding CIA activities in the 1970 Chilean elections. (Attachment C)

{
/s/ George V. Lauder
for
Raymond A. Warren}

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3 Attachments a/s

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SUBJECT: Chile

CONCUR:

John H. Stein 25X/A 1 MAR 1978
A Deputy Director for Operations Date

25X/A DDO/C/LA/STB/WSturbitts:esm (X9127) (28 Feb 78)

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Statement

by

William E. Nelson 25X/A
Deputy Director for Operations

Executive Session

before

United States Senate

Select Committee to Study Governmental Operations

With Respect to Intelligence Activities

28 October 1975

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CHILE

Mr. Chairman and Members of the Committee,

Refer to
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CIA covert action in Chile over the past decade is an emotion packed subject. As a result, the debate over the wisdom and propriety of this action is often filled more with heat than light. Public understanding of the facts of this activity and the intentions of the U. S. Government in pursuing it have been obscured by a heavy cloud of mythology. In the interests of subsequent clear discussion of the issues involved here, I hope this morning to sketch briefly the facts of U. S. involvement in the political affairs of Chile in the past ten years and to indicate what the record reveals regarding the motives and intentions of U. S. policy makers.

First, the setting: Chile is a long narrow country strung out along the southwest coast of South America. It has a population of some 11 million people with a high rate of literacy, a substantial middle class and a considerable industrial base. It has a democratic tradition and is one of the few countries in Latin America where the military forces have historically been largely non-involved in the political affairs of the country.

YC
The 1964 Presidential election campaign. Large-scale U. S. covert political action in Chile began with the 1964 Presidential elections.

This involvement had its origins in the results of the 1958 elections in which

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Salvador Allende as the leader of a communist and socialist coalition polled a surprisingly strong 28.9% of the total vote and came close to winning the election. Allende was a self-professed Marxist, whose stated intent was to bring about an "irreversible" Marxist revolution in Chile.

By 1962, Fidel Castro had consolidated his position in Cuba and, as it became apparent that Allende's Popular Action Front was prepared to make an all-out bid to win the 1964 elections, concern grew in Washington that the U. S. would be faced with another Marxist government in Latin America. Throughout 1959 and 1960, Allende was a frequent visitor to Cuba. He strongly endorsed Castro and even indulged in some revolutionary rhetoric regarding the rest of Latin America. He professed to adhere to the electoral route as his own means to power.

In 1962, funds were authorized to assist the Christian Democratic Party in order to build it up as a democratic alternative to Allende's Popular Action Front. Funds in 1963 were also authorized to support the leader and candidate of the then moderate Radical Party.

In March 1964, it became clear as a result of the victory of the Popular Action Front candidate in a major by-election that the Allende forces were a serious threat to win the September election.

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In April 1964, the Special Group, (a predecessor of the 40 Committee), approved the first installment of what was to develop into a \$3 million dollar program to support the Christian Democratic Party candidate, Eduardo Frei. Most of the funds provided were through a covert subsidy to the Party with some lateral support by other groups and parties and support to the Radical Party candidate to help him maintain his candidacy.

DO
Frei won the election with 56% of the vote as against 39% for Allende with 86% of the electorate voting.

Covert action during the Frei regime -- 1965 to 1970. In this period money was authorized as follows:

1964 - \$160,000 support to

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grass roots organizations among slum dwellers and peasants.

1965 - \$175,000 was spent in assistance to democratic candidates in the March 1965 Congressional elections. This program was designed to assist 35 moderate candidates representing all anti-Allende parties who were considered to be involved in tight races against leftist candidates. Moderate.

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particularly [redacted] (b)(1)
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candidates, scored impressive victories in
many close races.

1967 - \$30,000 was spent to strengthen the moderate factions
in the [redacted] Party. (b)(1)
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1968 - A program of \$350,000 was authorized to assist
moderate candidates in the March 1969
Congressional elections. The results show that
this limited program was relatively effective
(b)(1)
(b)(3) in that 10 of the 12 candidates elected won their
(b)(1)
(b)(3) races. This program was run against a back-
(b)(1)
(b)(3) ground of internal dissension within the [redacted]
(b)(1)
(b)(3) Party and a major push by the [redacted]
(b)(1)
(b)(3) [redacted] to unite as many leftists and left of center
(b)(1)
(b)(3) groups as possible in preparation for the 1970
Presidential elections.

The 1970 Presidential election race. In the political maneuvering
prior to the September 1970 Presidential election, Allende again emerged as the
candidate for what was now called the Popular Unity Forces. He was opposed by

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Jorge Alessandri, as the candidate of the center right, and Radomiro Tomic for the Christian Democrats. In March 1970, the 40 Committee decided that the U. S. should not support either of the candidates opposing Allende but should attempt spoiling operations against the [redacted]. The (b)(1) (b)(3) Committee approved \$125,000 to support a propaganda mechanism and some funds selected individuals in the [redacted] Party to reduce the number of (b)(1) (b)(3) votes the [redacted] Party could deliver in support of the [redacted]. As the (b)(1) summer campaign wore on Alessandri lost popularity, Tomic's campaign (b)(3) stalled and Allende's group continued to gain strength. Based on Ambassador Korry's recommendation the 40 Committee approved an authorization for an additional \$300,000 for anti-Allende propaganda.

Allende was a narrow winner in the three-way Presidential election (b)(1) (b)(3) of 4 September 1970, gaining 36.6% of the vote as compared to 35.3% for Alessandri and 28.1% for Tomic. [redacted]

(b)(1) (b)(3) [redacted] The election law provided that, when no President receives a popular majority, the Chilean Congress must choose between the two top candidates. This produced a period of intense activity in which efforts were made by the U. S. Government to prevent Allende's confirmation by the Congress.

Do [redacted] Covert action during the period between the Presidential election of 4 September 1970 and the 24 October 1970 vote by the Congress. On 14 September

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1970, the 40 Committee approved \$250,000 for use at Ambassador Korry's discretion in an attempt to swing Congressional votes to Alessandri. These funds were not spent. At the same time, on 15 September 1970, President Nixon called in the DCI and instructed him to attempt an effort to prevent Allende from taking power when and if it appeared the Constitutional route would not succeed. The Agency was instructed to carry out this activity without reference to any other department of government. By early October it became clear that action to swing Christian Democratic votes to Alessandri would not be decisive and therefore contacts were established by CIA with the Chilean military to determine the possibility of their intervention to prevent Allende from taking power.

There were a number of different groups in the Chilean military involved in coup plotting. The Agency developed contact with one group headed by retired General Viaux and with another headed by an active duty military General Valenzuela. The object of both of these groups was to attempt to remove from office General Rene Schneider, the Army Commander-in-Chief who was a major stumbling block to their plans for a military coup. Both hoped to remove Schneider from the scene by kidnapping him.

Discussions with the Viaux group progressed rapidly but by 15 October the decision in Washington was that Viaux had virtually no chance of launching

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a successful coup. Accordingly, a message was conveyed to the Vieux group warning it against precipitous action. Contact with that group was terminated on 18 October with no support given them.

DO
Discussions with the Valenzuela group took longer to develop. This group requested tear gas grenades and three sub-machine guns and planned to stage an abduction of General Schneider on 19 October. This operation did not come off however, although weapons were passed to the group on 22 October. On 22 October the Vieux group, acting independently, carried out an abduction attempt against General Schneider, who resisted and was shot. Schneider's death terminated any further attempts by the military to take action, and Allende was confirmed by the Congress on 24 October 1970.

Covert action activities from 1970 to September 11, 1973. Allende's first two years in power, 1971 and 1972, were marked by his use of all Constitutional and legal means at his disposal to move Chile in the direction of a socialist state. He began to nationalize Chilean major industrial and commercial enterprises and brought others under severe government harassment. The economic control was designed to weaken the political opposition by eliminating the private sector which provided the financial support for the opposition's electoral and media activities. The government also tried to silence the opposition

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by action against the independent press. It first tried unsuccessfully to obtain control over the distribution of newsprint. Then an extension on loans were not granted by government banks, taxes on news media were raised and government advertising and the revenue it produced was no longer available to nongovernment aligned outlets. Revolutionary organizations of special communal commands were established to control the distribution of essential articles, mainly food. The Soviet and Cuban presence grew and by March 1972, Soviet Bloc credits of some \$200 million had been extended to Chile and the Soviets were dangling an offer of \$300 million to the Chilean military so that they might purchase Soviet military equipment.

During this early period, with 40 Committee approval, the Agency was tasked with a broad spectrum of activities which were designed in the main to keep alive the political opposition to Allende and the sustenance of private sector organizations and news media which were under heavy financial pressure. A total of \$6 million was expended in this effort.

Of the \$6 million expended over half was in support of political parties, particularly the Christian Democrats. Another \$1.5 million was expended to keep in publication, El Mercurio, a major independent daily in the country. The remaining money was spent to support elements in the private sector and for other media and propaganda support operations.

Popular disillusionment with Allende continued to grow during the

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D0 | latter half of 1971 and in 1972 and by 1973 the Popular Unity Front was able to muster only 43% of the vote in the national Congressional elections. The economy was rapidly deteriorating. Strikes by shopkeepers and truckers (which were not supported by CIA) and boycotts by students were serving to bring together widely divergent segments of Chilean society in common opposition to Allende. By 1973, the government was declared to have placed itself outside the law and the Constitution in separate declarations by the Congress, the Supreme Court and the Comptroller General of the Republic.

These confrontations between the Allende administration and the other branches of the government caused growing concern within the Armed Forces which until the fall of 1973, had scrupulously adhered to their historical tradition of non-intervention into politics.

By September 1973, the country was faced with social and economic chaos. Civil war was a growing possibility. Allende had depleted a national economy with reserves amounting to nearly \$400 million despite considerable delivered and promised aid from the Soviet Union and East Europeans. The accumulation of concerns finally moved the military to seriously consider a coup. This resolve was strengthened by the discovery that the Popular Unity Front was attempting to penetrate, subvert and foment divisions within their commands.

D0 | During this period CIA had been in touch with members of the Armed Forces for purposes of intelligence collection. The Station Santiago was specific

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prohibited from involving itself in any coup plotting on the part of the Chilean military. It can be categorically stated that the Agency did not encourage or support the 1973 military coup which brought down the Allende Government and resulted in his death.

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DC

This is a brief record of the Agency's activity in Chile during the period 1964 to the present. Some of the basic facts are worth repeating:

....All Agency activity as regards Chile was conducted with specific approval by the 40 Committee and Presidents involved. The desperation move in September of 1970 to prevent Allende's coming to power by a military coup was the exception to broad interdepartmental coordination on the subject of Chile.

....U. S. Government policy prior to 1970 was to prevent a devout Marxist from taking power and U. S. policy after 1970 was to

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attempt to support and sustain until the 1976 elections a democratic opposition to a government which grew increasingly intolerant of that opposition and by 1973 was clearly operating outside the Constitution.

.... During this period there were 31 separate briefings of Congressional Committees of CIA's covert action program in Chile.

not true:

DO

.... There was never an effort to "destabilize" the Chilean Government during the period 1970 to 1973. As indicated above the effort was to keep a free press and a democratic opposition alive. Democracy in Chile was done in not by CIA but by the ruinous economic policies of a Marxist ideologue who finally brought about a situation in which the non-political military felt they had no alternative but to act.

.... The Agency did not bring on or encourage the military coup of September 11th 1973 and did not play any role in Allende's death.

DDI

.... As you know from your exhaustive investigations the Agency had broken off and provided no support to the group

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DO 1 that shot General Schneider.

Mr. Chairman, U. S. policy from 1962 to 1970 was consistent in attempting to prevent the takeover of the Government of Chile by Allende and his communist and socialist compatriots. The course of events in Chile since Allende's takeover prove the wisdom of that policy. The present Government of Chile has a considerable way to go but military governments in Latin America have been followed by more democratic alternatives.

There are honest differences of opinion about the wisdom and efficacy of all of the policy decisions on Chile over the past decade. It is worth noting that the Cubans and the Soviets considered the course of events in Chile as a disaster to their interests. The Soviets in their comments on Chile emphasize that Chile proves the thesis that "socialist revolution" should never be attempted without political control of the military forces -- a lesson they have been working hard in Portugal to put into practice.

Was our role in Chile bad and anti-democratic? I think not. The U. S. was acting within the broad mainstream of traditional U. S. policy in Latin America. That policy has been to resist the establishment governments in Latin America with close ties to European powers -- in this case the Soviet Union. That policy, around the world, has also been to oppose the attempt by minority communist and radical Marxist parties to take over governments in the knowledge that once in power these forces ultimately destroy the elements of democracy and diversity that enabled them to gain power. What has been preserved in Chile is the chance begin again.

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Agency-ITT Relationships

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6. In the pre-election period CIA actively pursued an advisory role with ITT on where and how to use their funds in support of Alessandri against Marxist candidate Allende. In the interlude between election and inauguration of Allende, CIA, along with other USG agencies, implemented a 29 September 1970 decision by the 40 Committee to undertake economic pressure against Chile utilizing U.S. business firms with Chilean interests.

7. In the post inaugural period CIA maintained contact with various ITT officials on an irregular basis, but did not pursue any action program with ITT, although there was, on these occasions, an exchange of information.

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Myths and Facts

1. Myth: CIA unilaterally, without authority, undertook covert action in the 1970 presidential election in Chile.

DO | FACT: All actions undertaken by the CIA in the 1970 presidential election were directed by the 40 Committee (Track I) or by President Nixon (Track II).

2. Myth: CIA was responsible for the attempted kidnapping and death of General Schneider.

DO | FACT: The CIA did not participate in the bungled kidnapping and death of Chilean Army Commander-in-Chief General Rene Schneider. CIA had been in touch with the group that was responsible for Schneider's death but CIA had broken off contact with the group several days prior to that event and had warned the group against taking any precipitous action since it was clear that they did not have a chance of pulling off a successful coup.

3. Myth: The CIA continued to try to effect a coup but did not keep the White House informed of such efforts after 15 October 1970.

DO | FACT: There was conflicting testimony before the Church Committee that the White House (Henry Kissinger/General Haig) stood down on efforts to promote a military coup after 15 October 1970. CIA officials testified that CIA activities in Chile were known to and thus authorized by the White House. There is no documentary proof that CIA was instructed to stand down after 15 October 1970. CIA activities in Chile after that date were made known to the White House which did not object to such activities, thus, in effect, authorizing the continuance of these activities.

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4. | Myth: CIA sought the assistance of ITT to provide funds
| for Chilean Presidential candidate Alessandri and
| the major Chilean newspaper El Mercurio.
|
| FACT: ITT, not CIA, initiated the dialogue on ITT assis-
| tance to candidate Alessandri and the newspaper
| El Mercurio as the result of a telephone call
| from ITT.
|
| CIA did not accept any ITT funds nor serve as a (b)(1)
| funding channel to Alessandri and his National (b)(1)(3)
| Party. [redacted] was specifically (b)(1)(3)
| told that CIA could not absorb any ITT funds nor (b)(3)(6)
| could CIA serve as a conduit to infuse ITT funds
| into Chile.

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OCT 16

United States Senate

SELECT COMMITTEE TO
STUDY GOVERNMENTAL OPERATIONS WITH
RESPECT TO INTELLIGENCE ACTIVITIES
(PURSUANT TO S. RES. 21, 84TH CONGRESS)
WASHINGTON, D.C. 20510

REVIEW STAFF

75-3588

Mr. Breckinridge:

As we discussed.

Bill Bader

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SSC

Mr. Chairman:

The staff study on Chile focuses on what is labeled "covert action" by the Central Intelligence Agency. Covert action, as defined by the Central Intelligence Agency, describes a policy tool for all seasons and purposes. To the Agency the term "covert action" means "any clandestine operation or activity designed to influence foreign governments, organizations, persons or events in support of the United States foreign policy."

The definition of "covert action" was not always so embracing, and indeed the term itself was only coined in recent years. This question of defining "covert action" is important as the Committee addresses the central questions:

-- As an instrument of foreign policy what can covert action do under what circumstances?

More fundamentally, should covert action be permitted? If so, under what rules and constraints?

Over the past months, the Committee has conducted a series of hearings on a variety of covert action case studies. As you have stated, Mr. Chairman, Chile has been chosen as one case of a major covert action the Committee will examine in public session. Therefore our interest is not only what happened in Chile but what the Chilean experience tells us about covert action as a foreign policy option of a democratic society.

It is important to note -- and for the public to understand -- that the objectives, the techniques, and the political control of covert operations have changed over the years. There is nothing immutable or sacrosanct about covert action -- what has

-2-

been so fundamentally altered in the past can surely be changed or even abolished in the future.

It was only in late 1947 -- two and a half years after the end of World War II -- that the United States formally decided that clandestine intelligence collection activities of the U.S. government had to be supplemented by what was described as covert psychological operations (propaganda and manipulation of the press).

By the late spring of 1948 the Soviet threat was held to be of such seriousness that "covert operations" were expanded to include to counter Soviet propaganda and Soviet support of labor unions; student groups, and political parties, economic warfare, sabotage, assistance to refugee liberation groups, and support of anti-Communist groups in occupied or threatened countries.

Gradually, covert action was extended to include countries all around the world. Burgeoning from the experience of countering the Soviet Union and its satellites in 1947 and 1948, the CIA (b)(3) had major covert operations underway in roughly⁺□ countries by 1953; a commitment of over 50% of the Agency's budget during the 1950's and 1960's.

In broad terms -- and in the language of the trade -- covert activities since coming of age in 1948 have been grouped around three major categories: propaganda, political action, and paramilitary activities. In the experience with Chile, the largest covert activities were those in the categories of propaganda and political action. Paramilitary activities -- that is, covert military assistance and operations -- were not employed to any

-3-

significant degree in Chile.

Propaganda

As revealed in the staff paper, the largest covert action activity in Chile was propaganda. The CIA Station in Santiago placed materials in the Chilean media, maintained a number of assets or agents on major Chilean newspapers, radio and television stations, and used "black" propaganda -- that is, material falsely purporting to be the product of a particular group. For example, the Station used "black" propaganda to sow discord between the Chilean communists and the socialists. In some cases, the form of propaganda was still more direct. The CIA Station financed Chilean groups who erected wall posters and distributed political leaflets -- (a number of these leaflets were designed by the CIA Station in Santiago) to influence the outcome of Chilean elections.

Let me give you an illustrative range of the kinds of propaganda projects that were undertaken in Chile during the years 1961-1974:

- Subsidization of two news services, one domestic, one hemisphere-wide to influence Chilean public opinion.
- Operation of a press placement service.
- Development of a commercial television service in Chile.
- Support of anti-Communist propaganda activity through wall posters, leaflets, and other street actions.

-4-

- Use of an Agency controlled news agency to counter Communist influence in Chile and in Latin America
- Placement of anti-Soviet propaganda on eight radio news stations and in five provincial newspapers

By far the largest -- and probably the most significant -- instance of US manipulation of the media is the money provided to El Mercurio, the major Santiago daily during the Allende regime.

On September 9, 1971, the Forty Committee authorized some \$700,000 for El Mercurio; and added another \$900,000 to that authorization in April of 1972. The CIA judged that El Mercurio, the most important opposition publication, could not survive without covert assistance because of heavy pressure from the Allende government. This pressure included restriction on the availability of newsprint and the withdrawal of government advertising.

The CIA subsequently concluded that El Mercurio and other media outlets supported by the Agency had played an important role in setting the stage for the September 11, 1973, military coup which overthrew Allende. To give you some reference point as to the potential impact of a propaganda project of the scale of the El Mercurio project, one has only to imagine the potential impact on the United States public opinion if a foreign country subsidized the budget of the New York Times and controlled a number of its employees.

-5-

As outlined in the report, these propaganda programs went to considerable lengths during the buildup of pressure against Allende to convince the people of Chile that Allende threatened their security and their future. At one point, anxious to reinforce the notion of the close connection between Allende and Fidel Castro, the CIA sought to find a picture of Allende and Castro together. When it was discovered that no such picture existed in their archives, the Agency proceeded to manufacture such a picture and then distribute the photograph widely in Chile.

Political Action

In the intelligence trade, covert political action aims to influence without attribution to the United States political events in a foreign country. Political action can range from recruiting an agent from within a foreign government for the purpose of influencing that government to subsidizing political parties friendly to U.S. interests. Starkly put, political action is the covert manipulation of political power abroad.

From 1964 to 1968 the CIA undertook a wide range of projects aimed to influence political events in Chile by:

- Wresting control of Chilean university student organizations from the Communists
- Supporting a women's group active in Chilean political and intellectual life and hostile to the Allende government.
- Combating the principal Communist-dominated labor union in Chile.

-6-

The most impressive political action in Chile was the massive efforts made over the decade from 1964 to 1974 to influence the Chilean elections. The Central Intelligence Agency in 1964, for example, spent over \$3 million in election programs, financing in the process over half of the Christian Democratic campaign. Chile is not a large country. Had a foreign government provided an equal amount per capita of covert support to the Democratic national campaign of 1964 the Democratic National Committee would have had an additional \$60 million - almost ten times the amount they actually had available. These election efforts in Chile were not limited to the providing of subsidies of political parties. Inter-agency election committees were established, in Washington and Santiago, composed of the State Department, White House and CIA officials to man an American-style campaign which included extensive political [redacted] paid for by the CIA, (the importing of an election expert from the United States), and voter registration and getting-out-the-vote drives. At one point in the 1964 election the Station in Santiago complained that the Christian Democratic political leadership was becoming increasingly dependent on the CIA and that the CIA had to take an ever-increasing hand in managing the campaign.

(b)(3)

In all the cases I have described, the major objective of U.S. covert policy in Chile was to influence, control, contain, and manipulate political power in the country. In addition, as the Committee's assassination report documents, covert action in Chile took a violent turn from political manipulation to the so-called Track II.

-7-

At the express request of the American government's most senior officials, the CIA established links to several groups of Chilean military officers who were plotting a coup. It offered money and weapons and eventually passed weapons to a group of Chilean officers. The CIA knew that the plotters' plans began with the kidnapping of the Chief of Staff of the Chilean army, the man who stood in the way of a successful coup, General Rene Schneider. Although the United States apparently was not directly involved in the abortive kidnapping attempt which resulted in Schneider's death, the Track II episode stands as testimony as to how far the United States has been willing to go to influence covertly the course of Chilean politics.

The Control Process

As "covert action" has evolved over the years, so have the various systems of political approval and control of covert activities. A major finding of the Staff study on Chile is that the approval and monitoring process for covert action in Chile was sound in theory but in practice proved to be completely vulnerable to a President or a National Security Advisor who, apparently without fear of being held politically accountable, decided to ignore established procedures.

It is fair to say, however, that ensuring that the covert operations of the government were consistent with U.S. policy, has been a longstanding problem. To be truly "covert," operations must be guarded from public scrutiny --- and thereby guarded from public accountability. Accountability: the procedures for

-8-

insuring that covert actions are and remain under the direct control of the senior officials of the executive branch and the Congress is difficult and the central issue of covert action.

Coordination and approval procedures for covert action have ranged from an initial short period of State and Defense Department control to the situation of the 1950's when the burden fell on the Director of Central Intelligence to insure that covert action programs and projects were in conformity with existing National Security Council directives. Even in the early years of the so-called "Special Group" -- a coordination and control committee established in 1955 consisting of representatives from the Office of the President, the Department of State, and the CIA -- the DCI was given discretion to determine when projects were submitted to this group. Not until 1963 did the CIA establish formal criteria based on political sensitivity for submission to the Special Group, renamed the 303 Committee. In the case of Chile, CIA presentations to this Committee and its successor group -- the 40 Committee -- involved a formal submission of projects which were reviewed, often amended, and sometimes rejected. In theory all covert action projects submitted to the 40 Committee are coordinated and cleared with the Ambassador as well as the Assistant Secretary of State of the area concerned.

When we turn to the record of actual covert activities in Chile, however, this record suggests that, although these established executive processes of authorization and control were

-9-

generally adhered to, there were -- and remain -- genuine shortcomings to that process:

- The Agency determines which covert action projects are submitted to the 40 Committee were on the basis of the political sensitivity of a project.
- Ambassadors and other State Department officials were informed of covert activities depending on how interested the Ambassadors were and how forthcoming their Station Chiefs were.
- After major projects are approved by the 40 Committee, they often continue without searching re-examination. The Agency conducts annual reviews of on-going projects, but the 40 Committee does not undertake a review unless a project is recommended for renewal, or there is some important change in operation or cost.
- Clandestine collection of human intelligence (which may be just as politically sensitive as a "covert action" witness U.S. contacts with the Chilean military during 1970-73) is not the subject of 40 Committee review.

Finally, there remains the critical question of the dangers which arise when the very mechanisms established by the Executive Branch for insuring internal political accountability are circumvented or frustrated.

The President instructed that support of the military coup, a Track II be operated without informing the U.S. Ambassador in Santiago, the State Department, or any 40 Committee member save

-10-

Henry Kissinger. The President and his senior advisors thus denied themselves the Government's major sources of counsel about Chilean politics. And the Ambassador in Santiago was left in the position of having to deal with any adverse political spill-over from a project of which he was not informed.

The danger was greater still. Whatever the truth about whether Track II continued after October 15, 1970, -- an issue which is the subject of conflicting testimony -- all participants agreed that Track II constituted a broad mandate to the CIA. The Agency was under great pressure and given to believe it had virtual carte blanche authority to prevent Allende from coming to power, by military coup if necessary. Having been given little guidance about what subsequent clearances it needed from the White House, CIA consultation with the White House in advance of specific actions was less than meticulous.

Mr. Chairman, against the above background on the meaning and varieties of covert action, Mr. Inderfurth will discuss the major covert actions taken in Chile.